

ORDINANCE NO. 2025-O-215

AN ORDINANCE OF THE CITY OF LAREDO, TEXAS, REPEALING AND REPLACING CHAPTER 32 "VEHICLES FOR HIRE" OF THE CODE OF ORDINANCES, TO UPDATE APPLICATION PROCESS, REQUIRED FEES AND TO SIMPLIFY AND STREAMLINE THE VEHICLE FOR HIRE PROCESS; PROVIDING FOR SEVERABILITY, REPEALING ALL ORDINANCES IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Laredo currently regulates vehicle for hire services under Chapter 32 of its Code of Ordinances; and

WHEREAS, Texas law has preempted substantial portions of the regulation of ride share and similar transportation network companies, limiting the City's authority in certain areas and creating a competitive disadvantage for locally operated taxi businesses; and

WHEREAS, in response to these developments and in order to promote local entrepreneurship and equitable transportation services, the City of Laredo finds it necessary to repeal the current Chapter 32 in its entirety and replace it with a revised version; and

WHEREAS, the purpose of this ordinance is to simplify and streamline the vehicle for hire licensing and permitting process, eliminate outdated restrictions, and support the viability of local vehicle for hire operators.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS THAT:

SECTION 1. Chapter 32 of the Code of Ordinances, City of Laredo, Texas, titled "Vehicles for Hire," is hereby repealed in its entirety and replaced with the following provisions:

CHAPTER 32 - VEHICLES FOR HIRE

Sec. 32-1. - Definitions.

"City" means the City of Laredo, Texas.

"Compensation" means any money, thing of value, payment, consideration, reward, tip, donation, gratuity or profit paid to, accepted or received by the driver.

"Department" means the City of Laredo Engineering Department.

"Driver's Permit" means the authority granted under this chapter to drive a vehicle for hire in the City for period of one year.

"Licensee" means the individual, firm or corporation who is granted an operating license under this chapter.

"City Manager" means the City Manager of the City of Laredo or his or her

authorized representative appointed by the City Manager.

"Operating License" means the authority granted under this chapter to operate a vehicle for hire business in the City for a period of one year.

"Permittee" means an individual who has been granted a Driver's Permit under this chapter.

"Vehicle for Hire" means a chauffeured motor vehicle used to transport passengers on city streets for compensation under the authority of this chapter.

Sec. 32-2. - Operating License Required; Non-transferability.

1. An individual, firm or corporation shall not operate a vehicle for hire service in the city without a valid operating license.
2. An operating license shall not be transferred to another individual, firm or corporation.
3. Exception: Notwithstanding subsection (2.), the license number associated with an operating license may be transferred to an immediate family member within the first or second degree of consanguinity of the original license holder, provided that:
 - a. The transferee submits a complete application for an operating license and satisfies all eligibility requirements, qualifications, background checks, fees, inspections, and approvals required under this Chapter, as if applying for an original operating license;
 - b. The transfer shall be limited solely to the numerical designation of the operating license, and no rights, privileges, approvals, or vested interests associated with the original license holder shall transfer;
 - c. The operating license shall not be deemed issued or effective until the transferee has fully complied with all application and licensing requirements and the City has formally approved the license issuance; and
 - d. The City retains full discretion to approve or deny the application notwithstanding the familial relationship, and nothing in this exception shall be construed to waive, reduce, or modify any requirement of this Chapter.

Sec. 32-3. - Qualifications for an Operating License.

To qualify for an operating license, an applicant must:

1. Be at least 18 years of age, if an individual;
2. Be in good standing with the Texas Secretary of State, if it is an entity that is required to file documents with the Texas Secretary of State;
3. Be currently authorized to work-full time in the United States;
4. Maintain sufficient insurance as outline in sec. 32-5; and
5. Not have had an operating license revoked under this chapter within the past twelve (12) months.

Sec. 32-4. - Application Requirements for an Operating License.

Along with the appropriate operating license application fee as stated in sec. 32-8, an applicant for an operating license shall submit the following to the department:

1. The name, contact information and Texas Driver's license number, if any, of the applicant;
2. If applicable, proof that applicant is authorized to work in the United States;

3. If applicable, certified copies of any documents required by state law to be filed for the business entity to legally exist and a statement from the Texas Secretary of State certifying that the business is in good standing if state law requires the entity to file documents with the Texas Secretary of State;
4. The number of vehicles, description of each vehicle to be used in the proposed service, (year, make, model, VIN number, manufacturer's rated seating capacity, state license plate number, body style, etc.) and the location of the facilities to be used in the operation;
5. Names, addresses, birthdates and Texas Driver's License numbers for each individual who will drive vehicles for the company.
 - a. Such information shall be kept current during the year.
 - b. Failure to provide such information to the department for each individual operating a vehicle for hire within the City shall be grounds for revoking the operating license.
6. Proof of liability insurance from an insurance company authorized to do business in the state at the levels required by this chapter; and
7. Any additional information required by the department.

Sec. 32-5. - Insurance Requirements.

1. The Licensee shall keep in full force and effect during the term of the operating license a policy of public liability insurance, issued by an insurance company authorized to do business in Texas and performable in this county, insuring the public against any loss or damage that may result to any person or property from the operation of such vehicle(s).
2. The certificates of insurance shall contain a provision that coverage under such policies shall not be canceled or materially changed until at least 30 days prior written notice has been given to the City.
3. Passenger liability exclusions are expressly prohibited.
4. Insurance shall be maintained in the types and minimum amounts required by the City of Laredo Risk Management Department. Such requirements may be amended or updated from time to time, and Licensees shall remain in compliance with the most current standards as determined by the Risk Management Department.
5. The City must be included as an additional insured on each policy.
6. The Licensee is responsible for paying all applicable deductibles.

Sec. 32-6. - Issuance or Denial of an Operating License.

1. The department shall issue an operating license to a qualified applicant and the term shall be for twelve (12) months.
2. The department shall deny an application for an operating license if the applicant:
 - a. Does not meet the qualifications in this chapter;
 - b. Makes a false statement in the application; or
 - c. Has had a previous operating license revoked within the past twelve (12) months.
3. The department shall issue a decal for each vehicle listed in the Licensee's application that can be legally operated on the roadways and Licensee must affix the decal in a prominent location in each vehicle.
4. If the department determines that an operating license should be denied, the department shall notify the applicant in writing that the application is denied, the reason for the denial and a statement that the applicant may appeal in accordance

with sec. 32-17 of this chapter.

Sec. 32-7. - Vehicle Inspection Requirements

1. Prior to the department issuance of a decal for each vehicle listed in the Licensee's application, each vehicle must undergo and pass a vehicle inspection conducted or authorized by the department.
2. The inspection shall verify that the vehicle is in safe and good operating condition, including but not limited to:
 - a. Brakes;
 - b. Headlights, tail lights, brake lights, and turn signals;
 - c. Windshield wipers and defrosters;
 - d. Tires and suspension;
 - e. Horn and steering mechanisms;
 - f. Seatbelts and door locks;
 - g. Heating and air conditioning systems;
 - h. Metering equipment (if applicable); and
 - i. Interior and exterior cleanliness and condition.
3. Each vehicle that passes inspection shall receive a decal that shall be affixed to the inspected vehicle as per sec. 32-6.
4. Every vehicle operated as a taxi shall be equipped with a rooftop sign clearly marked with the word "TAXI," which must be electrically illuminated and visible during nighttime operation or low-visibility conditions. The rooftop sign must be affixed in a manner approved by the department to ensure safety and visibility.

Sec. 32-8. – Annual Application and Permit Fees

1. A non-refundable Operating License application fee of three hundred dollars (\$300.00) shall be submitted with each initial or renewal application for an Operating License. This application fee is intended to cover administrative processing and review costs.
2. In addition to the application fee, a holder of an annual vehicle for hire Driver's Permit shall pay the city a fee of one hundred dollars (\$100.00) for each authorized permit. The vehicle for hire application and permit fee is payable in the manner and at the time prescribed by the Department.

Sec. 32-9. - Additional Requirements for Licensees

1. A Licensee shall establish policies and act to discourage, prevent or correct violations of this chapter by the Permittees who are employed or contracting with the Licensee.
2. A Licensee shall not permit a Permittee, who is employed by or contracting with the Licensee, to drive a vehicle for hire if the Licensee knows or has reasonable cause to suspect that the Permittee has failed to comply with this chapter or other

applicable law.

Sec. 32-10. - Driver's Permit Required: Limited Transferability

1. An individual shall not drive a vehicle for hire inside the City without a valid driver's permit issued under this chapter.
2. A Licensee shall not employ or contract with an individual or otherwise allow a person to drive a vehicle for hire owned, controlled or operated by the Licensee unless the individual has a valid driver's permit issued under this chapter.
3. A driver's permit can be transferred to an individual only upon submitting proof of the following:
 - a. Proof of death or medical certification of permanent incapacity of a valid permit holder;
 - b. Proof of familial relationship;
 - c. Request within 90 days of the family member's death; and
 - d. New applicant must meet all operating license qualifications under this section
 - e. Transfer of permit is subject to final approval by the City Manager.

Sec. 32-11. - Qualifications for a Driver's Permit.

To qualify for a driver's permit, an individual must:

1. Have a valid Texas Driver's License;
2. Be currently authorized to work-full time in the United States;
3. Have a contract with or be employed by a Licensee;
4. Not have had a driver's permit revoked under this chapter within the past twelve (12) months.
5. Not have been convicted of any felony offense within the preceding ten (10) years prior to the date of application;
6. Not have been convicted of a misdemeanor offense involving fraud, theft, violence, sexual misconduct, human trafficking, driving while intoxicated, or any other offense that would indicate the individual lacks the ability, capacity, or fitness required to operate a vehicle for hire within the preceding five (5) years prior to the date of application; provided, however, that a misdemeanor conviction occurring less than five (5) years prior to the date of application shall not, by itself, disqualify an applicant, so long as:
 - a. The conviction is fully disclosed in the application;
 - b. The offense is not a felony and does not require registration as a sex offender;
 - c. The applicant has not been convicted of the same or a substantially similar offense more than once, and has not engaged in a pattern of criminal conduct that would raise concerns regarding public safety or fitness to operate a vehicle for hire; and
 - d. The City determines, after considering the nature and severity of the offense, the time elapsed since the conviction, evidence of rehabilitation, and the applicant's overall criminal and driving history, that the applicant is otherwise qualified to hold a driver's permit.
7. Not have any criminal history that otherwise indicates the individual lacks the ability, capacity, or fitness required to drive a vehicle for hire, in accordance with Sections 53.022 and 53.023 of the Texas Occupations Code.

The Department shall have the authority, based on the nature of the offense, time elapsed, conduct of the applicant, and rehabilitation efforts, to waive disqualification and grant a permit if doing so is in the best interest of public safety and the City.

Sec. 32-12. - Application Requirements for a Driver's Permit.

Along with the appropriate driver's permit application fees, the Licensee (or applicant for an operating license) shall submit the following information for each individual who will operate a vehicle for hire for the Licensee:

1. The individual's name, social security number and date of birth;
2. The individual's residence address, contact information and states of residence during the three years preceding the date of the driver's permit application;
3. The individual's Texas Driver's License number and expiration date;
4. A description of the individual's experience in driving vehicles for hire;
5. For a non-citizen individual, proof that the individual is permitted to work in the United States;
6. The name, address, telephone number, and signature of the sponsoring Licensee;
7. A statement that the individual has read and understands the provisions of this chapter;
8. A statement of whether the individual has been convicted of a criminal offense, whether the individual's Driver's License has been suspended or revoked and complete information concerning any conviction, suspension or revocation (traffic violations must be included);
9. The individual's complete criminal history and driving record, issued and certified by the Texas Department of Public Safety or other relevant governmental entity, as determined by the department. The criminal history and driving record must be issued and certified not earlier than the 30th day before the date the individual's driver's permit application is submitted to the department;
10. For an individual who has been a resident of Texas for less than three (3) years preceding the date the application is submitted, the criminal history and driving record certified by the appropriate governmental authority in the former state of residence. The criminal history and driving record from the appropriate governmental authority in the former state of residence must be issued and certified not earlier than the 30th day before the date the individual's driver's permit application is submitted to the department;
11. If the individual's driving record contains one (1) or more traffic convictions or violations during the three years preceding the date of the application submittal, proof of completion of a Driver Safety Course as provided for in the Texas Transportation Code for a course completed not earlier than the 180th day preceding the date the application is submitted to the department;
12. Any additional information required on the application form prescribed by the department; and
13. The application must be signed and sworn or affirmed by the individual who will be operating the vehicle for hire in the presence of a notary public or other person authorized to administer oaths in this state.

Sec. 32-13. - Standards for Issuance or Denial of a Driver's Permit.

1. The department shall issue a driver's permit to an individual that is qualified under the

- terms of this chapter and the term shall be for twelve (12) months.
2. The department may conduct investigations of the character, ground transportation service experience, and qualifications of each individual who will operate a vehicle for hire.
 3. The department shall deny the driver's permit application of an individual who:
 - a. Falsifies, materially alters, or omits information in the application;
 - b. Has been convicted of four or more moving violations of the traffic laws of the City or another jurisdiction within the twelve-month period immediately preceding the date of application; or
 - c. Has been convicted of a criminal offense if the department determines that the conviction is directly related to the ability, capacity, or fitness required to perform the duties and discharge the responsibilities of a driver of a ground transportation carriage.
 4. If denying a driver's permit based on criminal history, the department shall use the criteria established in Sections 53.022 (Factors in Determining Whether Conviction Relates to Occupation) and 53.023 (Additional Factors for Licensing Authority to Consider) of the Texas Occupations Code.

Sec. 32-14. -Additional Requirements for Permittees

1. A Permittee shall take the most direct route that will carry such passengers safely and expeditiously to their destination.
2. A Permittee shall be courteous to all passengers.

Sec. 32-15. - Revocation and/or Suspension of an Operating License.

1. An operating license is automatically suspended if the insurance coverage required by sec. 32-5 lapses.
2. Before the operating license is eligible for reinstatement, the Licensee must provide proof that the insurance requirements of sec. 32-5 have been met.
3. The department shall suspend or revoke an operating license if the Licensee:
 - a. Submits a written request or application containing false or misleading information;
 - b. Omits required information;
 - c. Fails to comply with a provision of this chapter;
 - d. Fails to comply with a condition of the operating license;
 - e. Fails to pay the operating license fee when due;
 - f. Discontinues the ground transportation service approved in the operating license for more than thirty consecutive days;
 - g. Fails to pay an outstanding final judgment that arises out of circumstances related to ground transportation service against the Licensee; or
 - h. Fails to enforce compliance with the provisions of this chapter with a Permittee that is sponsored by the Licensee.
4. The department shall provide written notice to the Licensee of the revocation or suspension of an operating license not later than the 10th business day after the action is taken.
5. Such suspensions or revocation shall take effect upon delivery of written notice thereof to the Licensee, with such delivery being made in person or by certified mail through the United States Postal Service.
6. A Licensee, whose operating license is suspended or revoked, may appeal the

revocation or suspension by following the procedures outlined in sec. 32-17.

7. A Licensee whose operating license is revoked shall not apply for another license before the expiration of twelve (12) months from the date the departments revokes the operating license or, in the case of an appeal, the date the City Manager affirms the revocation.

Sec. 32-16. - Revocation and/or Suspension of a Driver's Permit.

1. A driver's permit is automatically revoked on the occurrence of the following:
 - a. The Permittee receives four (4) or more convictions for moving violations of local or state traffic laws within a twelve-month period;
 - b. The Permittee's Texas Driver's License is suspended, revoked or expires;
 - c. The Licensee withdraws sponsorship of the Permittee; or
 - d. The Permittee is convicted of an offense after the date of issuance of the driver's permit that indicates the Permittee does not have the fitness or ability to perform the duties and obligations of operating a vehicle for hire. The department shall use the factors identified in sec. 32-13 to make this determination.
2. The department shall suspend or revoke a driver's permit on the occurrence of the following:
 - a. The Permittee is convicted of four (4) or more violations of this chapter that occurred within a twelve-month period;
 - b. The Permittee is convicted of three or more moving violations of local or state traffic laws that occurred within a twelve-month period;
 - c. The Permittee drives a vehicle for hire inside the city while his or her driver's permit is suspended;
 - d. The Permittee's driver's permit is suspended at least twice within a twelve-month period;
 - e. A probation, parole or mandatory supervision of the Permittee is revoked after the date of issuance of the driver's permit; or
 - f. A falsification, material alteration or omission of information in a governmental record submitted under this chapter is discovered after the driver's permit is issued.
3. The department shall notify the Permittee and the sponsoring Licensee in writing of the suspension or revocation of the driver's permit.
4. Such suspensions or revocation shall take effect upon delivery of written notice thereof to the Permittee, with such delivery being made in person or by certified mail through the United States Postal Service.
5. An individual whose drivers permit is suspended or revoked may appeal the revocation or suspension by following the procedures outlined in sec. 32-17.
6. A Permittee whose driver's permit is revoked shall not apply for another permit before the expiration of twelve (12) months from the date the departments revokes the permit or, in the case of an appeal, the date the City Manager affirms the revocation.

Sec. 32-17. -Appeal Process.

1. The applicant, Licensee or Permittee shall have the right to appeal to the City

Manager from any such action of the department by submitting a written request for an appeal to the City Manager, not more than ten (10) days after the action appealed from.

2. In the event the applicant, Licensee or Permittee shall fail to deliver such written request to the City Manager within the time prescribed, the action of the department shall be final.
3. If the applicant, Licensee or Permittee timely delivers a written request for an appeal, the City Manager shall conduct a hearing to determine if the suspension is appropriate.
4. The City Manager shall give the appealing party an opportunity to present evidence and make argument in his or her behalf.
5. The formal rules of evidence do not apply to an appeal hearing under this section, and the City Manager shall make a decision within seven (7) days after the close of the hearing on the basis of a preponderance of the evidence presented at the hearing.
6. The City Manager may affirm, modify or reverse all or part of the action of the department.
7. The decision of the City Manager is final.
8. Upon revocation of a permit, the Licensee or Permittee shall be ineligible for a new permit for a period of two (2) years.

Sec 32-18 – Fare Setting Authority.

1. Each licensed taxicab operator shall be solely responsible for establishing and setting the fares charged for transportation services provided within the City.
2. The City shall not regulate, establish, or approve the fare structure for taxicab services, except as may be required by applicable state or federal law.
3. Notwithstanding the foregoing, all fare practices must remain in compliance with applicable consumer protection laws and may not be unfair, deceptive, or discriminatory.
4. Fares must be posted inside the cab where they can be clearly seen by customers of the cab.

Sec. 32-19. - Offenses and penalties.

1. It shall be unlawful for any person to violate any provision of this chapter.
2. Each violation of this chapter shall constitute a separate offense and each offense shall be punishable as a Class C misdemeanor and shall each be punishable by a fine not to exceed \$500.00 for each day the violation exists.

SECTION 2. This ordinance shall be cumulative of all provisions of ordinances of the City of Laredo, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 3. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since

the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4. The publishers of the City Code of Laredo, Texas are authorized to amend said code to reflect the changes adopted herein and to correct typographical errors and to index, format and number paragraphs to conform to the existing code.

SECTION 5. This Ordinance shall take effect immediately upon passage.

**DULY PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS
THE _____ DAY OF _____, 2026.**

**DR. VICTOR D. TREVIÑO
MAYOR**

ATTESTED:

**MARIO MALDONADO
CITY SECRETARY**

APPROVED AS TO FORM:

**DOANH “ZONE” T. NGUYEN
CITY ATTORNEY**