



# ADMINISTRATION AND REGULATORY AFFAIRS DEPARTMENT

## Transportation Section Policy

Subject: **Taxicab Permit Eligibility Requirements – the “10/5/2 Rule”**

Policy No.  
**VFH - 015**

Effective Date:  
**Upon Approval**

### 1. AUTHORITY

1.1. Chapter 46, Houston Code of Ordinances

### 2. PURPOSE

2.2. The purpose of the policy is to establish guidelines for the suspended enforcement of the requirements of Section 46-65(a)(7) as it applies to applicants for taxicab permits from the City of Houston.

### 3. POLICY STATEMENT

3.3. When Section 46-65(a)(7) was crafted in the 1990s, the goal was to allow only experienced applicants to become taxicab permit owners in Houston, to provide a better riding experience to customers. However, with the entrance of TNCs into the local market, the requirements for experience and local knowledge have become barriers to entry rather than opportunities for enhancement of the customer experience. While we would still prefer experienced taxi permittees in Houston, we also understand that the competitive landscape has changed.

### 4. PROCEDURES

- 4.1. The policy will be effective from the date of signature and expire upon the date of any replacing or overriding Ordinance provision and/or new Director’s Rule and Regulation.
- 4.2. Sec. 46-65 (a)(7) requires that an application for an existing permit (transfer permit) or a new permit must meet the 10-5-2 rule. This rule states that in the past 10 years, an applicant must have 5 years of taxicab experience with 2 years in the City of Houston.
- 4.3. Applications received for new and transfer taxicab permits after the date of approval for this Director’s Rule shall not be reviewed for compliance with Sec. 46-65 (a)(7), nor shall applicants that cannot meet the requirements of Sec. 46-65(a)(7) be rejected for their inability to meet this requirement.
- 4.4. Thereby, failure to meet the requirements of Sec. 46-65(d)(4) shall not be grounds for disqualification on a taxicab permit application.
- 4.5. However, this does not preempt the Director’s authority to approve, in advance, a permit transfer as authorized in Sec. 46-72 (d).

Approved  
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Date Approved:

February 5, 2019

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