

**ORDINANCE NO. 37, 4th SERIES**

**AN ORDINANCE OF THE CITY OF EAST GRAND FORKS, MINNESOTA, AMENDING CITY CODE TITLE XI BUSINESS REGULATIONS BY ADDING CHAPTER 118 CONCERNING LICENSING AND REGULATION OF ELECTRIC SCOOTER RENTAL SYSTEM AND BY ADOPTING BY REFERENCE CITY CODE CHAPTER 1 AND SECTION 10.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.**

THE CITY OF EAST GRAND FORKS DOES ORDAIN AS FOLLOWS:

SECTION 1:

CHAPTER 118 LICENSING AND REGULATION OF ELECTRIC SCOOTER RENTAL SYSTEMS

**118.00. Purpose and intent.**

The City of East Grand Forks seeks to provide alternative and active transportation options to its citizens and visitors; to provide for flexibility in trip origins and destinations through the use of electric scooter rental systems; enhance the opportunities for participation in leisure, entertainment and recreational pursuits within the city; and provide overall benefit to the public while protecting the public interest by setting out terms and conditions for the operation of electric scooter rental systems within the City of East Grand Forks.

**118.01. Definitions.**

The following terms, as used in this article, shall have the following meanings:

- (1) Electric scooter. A vehicle consisting of a front wheel and a back wheel with a platform/foot board in-between the wheels on which the operator stands, with an upright steering bar with handlebars attached to the front wheel, and which is powered by an electric motor and be able to be propelled to a speed of at least ten (10) mph but no more than fifteen (15) mph.
- (2) Electric scooter rental operator. Any person, firm, corporation or other entity that owns and/or operates an electric scooter rental system.
- (3) Electric scooter rental system. A business, system or service for rentals of electric scooters, helmets or similar electric scooter rental-related merchandise that is made available for rent for public use, generally for short periods of time or for point-to-point trips and may include docks or stations for storing electric scooters when not in use.
- (4) Customer. A person that rents or uses an electric scooter from an electric scooter rental operator.

**118.02. Permit required; non-exclusivity; regulatory power of the city council; non-transferability.**

- (1) No person, firm, corporation or other entity shall operate or allow to be operated any electric scooter rental system within the City of East Grand Forks without first having obtained a permit under the provisions of this article.
- (2) No permit granted by the city shall be exclusive.

(3) All electric scooter rental operators and all permits granted under this article for an electric scooter rental system shall be subject to the rules and regulations promulgated by the city council in the enacting ordinance and any other ordinance applicable thereto.

(4) No permit granted under this article for an electric scooter rental system shall be assigned or transferred without first making application to and receiving the approval of the city council.

**118.03. Qualifications for permit.**

Any person over the age of eighteen (18) years or any firm, corporation or other entity authorized to do business in the State of Minnesota may own and/or operate an electric scooter rental service upon application and approval of the permit as provided herein and the payment of all fees and costs. All applicants must comply with and observe all provisions of this article.

**118.04. Application for permit.**

Any person, firm, corporation or entity desiring to engage in an electric scooter rental business within the city shall first make application to the city clerk and shall file with such application all fees hereinafter provided for, and shall also file proof of liability insurance herein required. Each submitted application shall be on a form prescribed by the city clerk and shall contain all of the following information:

- (1) Name and form of business of the electric scooter rental operator.
- (2) The name, phone number, street address (and mailing address if different) of the electric scooter rental operator's agent for service of legal process.
- (3) The total fleet size the electric scooter rental operator intends to deploy, not to exceed the maximum number described in City Code section 118.10 (15), within the permit term including the number of electric scooters intended to be deployed upon permit application approval.
- (4) A photographic image or visual representation of each type of electric scooter to be employed as part of the electric scooter rental operator's electric scooter rental system.
- (5) A description of the internet-enabled mobile device application to be used by customers to register membership or to use, pay for, lock and unlock each electric scooter.
- (6) A plan for the electric scooter rental operator to maintain each electric scooter in a safe and operable condition, and to recover and repair electric scooters discovered or reported to be unsafe and/or inoperable before redeployment.
- (7) A plan for the electric scooter rental operator to rebalance or relocate electric scooters.
- (8) A detailed implementation plan with a map that identifies the location and service areas that will be used by the electric scooter rental operator. This plan must be approved by the city administrator or his/her designee before approval of the permit application.
- (9) A plan for educating customers on proper electric scooter parking.
- (10) A plan for educating customers on the safe use of an electric scooter and knowledge and compliance with all applicable laws.

- (11) A document executed by the electric scooter rental operator to certify that the electric scooter rental operator's equipment is in compliance with the requirements under this article.
- (12) Proof of current coverage or insurance as required by this article.
- (13) A declaration that the electric scooter rental operator has read the provisions of this article.
- (14) A statement of indemnification of the city and its officials, officers, agents, volunteers and employees by the electric scooter rental operator.
- (15) Any changes to the plans submitted in support of an application, following approval of the permit, must be approved by the city administrator or his/her designee.

**118.05. Insurance requirements.**

- (1) No electric scooter rental operator may operate an electric scooter rental system in the city, nor shall any permit be issued therefor, until and unless the electric scooter rental operator deposits with the city clerk a certificate of insurance or such other proof of insurance issued by a company authorized to conduct insurance business in the State of Minnesota indemnifying the electric scooter rental operator in the sum of at least \$1,500,000.00 for injury or death for any number of claims arising out a single occurrence and five hundred thousand dollars (\$500,000.00) property damage for any one (1) incident. The bodily injury limits described herein shall be adjusted to comply with and be equivalent to the limits for liability of political subdivisions set forth in Minnesota statutes.
- (2) The City of East Grand Forks, and its officers, officials, employees, boards, commissions, volunteers and agents shall be named as an additional insured on the insurance policy described in City Code section 118.05(1).
- (3) In addition to the requirement set forth in City Code section 118.05(1), at the request of the city, the electric scooter rental operator shall provide proof of valid insurance within ten (10) business days of receiving the request from the city.
- (4) Any permit issued under this article shall automatically and immediately terminate and be revoked upon the lapse or termination of any the insurance coverage required herein.
- (5) No electric scooter rental system shall be operated in the city, nor shall any permit be issued therefor, until and unless the electric scooter rental operator also deposits with the city clerk a certificate of insurance or such other proof of insurance issued by a company authorized to do insurance business in the State of Minnesota covering each electric scooter and customer of the same with no less than the minimum insurance limits required for motor vehicles pursuant to Minnesota Statute Chapter 65B.49

**118.06. Term.**

- (1) Except as otherwise provided herein, each permit issued pursuant to this article shall expire annually on the 31st day of December.
- (2) Permits may be renewed annually in compliance with any renewal procedures established by the city council and city administrator.

**118.07. Fees.**

The electric scooter rental operator applying for or renewing a permit under this article shall, before being issued a permit, pay to the city all fees as established by resolution of the East Grand Forks City Council.

**118.08. Suspension/revocation of permit.**

(1) The East Grand Forks City Council may suspend or revoke any permit issued to an electric scooter rental operator under this article upon a finding of any of the following:

- (A) Failure to operate the electric scooter rental system in strict accordance with this article.
- (B) Failure to maintain electric scooters in good order and repair.
- (C) Failure to pay any fees, fines or reimbursements as required under this article.
- (D) Failure to maintain required qualifications under this article.
- (E) Failure to maintain required insurance under this article.
- (F) Failure to address safety concerns.
- (G) Failure to actively manage rebalancing/relocation of electric scooters according to the parameters set out herein.
- (H) Failure to respond to customer service requests or complaints.
- (I) A documented history of violating the terms and regulations of this chapter, and/or any of the following:
  - 1. If an electric scooter rental operator has five (5) or more electric scooters impounded by the city at any one (1) time;
  - 2. If an electric scooter rental operator has had ten (10) or more electric scooters impounded by the city within a thirty (30) day time frame; or
  - 3. If the electric scooter rental operator leaves an electric scooter impounded for ten (10) or more consecutive business days.
- (J) Any other act or omission by electric scooter rental operator that is determined by the city council to be adverse to the public safety, welfare, morals or public order.

(2) In the event of revocation, electric scooter rental operator shall surrender such permit and immediately cease operations and remove all electric scooters from operation within the city.

**118.09. Condition of electric scooters.**

All electric scooters utilized in an electric scooter rental system shall be maintained in a good, safe and operable condition, with a drum brake and regenerative brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement and shall have the following fully operational equipment: Headlights, running lights, taillights, brake lights, a bell, and a kickstand.

### **118.10. Requirements of electric scooter rental operator—Equipment and operations.**

- (1) All electric scooters used in an electric scooter rental system must be equipped with global positioning system (GPS) devices allowing the electric scooter rental operator to monitor their positions and restrict parking and areas of use as provided in City Code section 118.04 and in this article.
- (2) All electric scooter rental operators shall provide information either posted on the electric scooter rental main tube or on or within any app or internet home page notifying customers that:
  - (A) Helmet use is encouraged while riding an electric scooter;
  - (B) Electric scooters are prohibited from being operated on sidewalks and , bike paths and bike lanes (except for those described in City Code sections 78.03(10) and 78.04(2)); and
- (3) All electric scooters shall have a unique identifier such as a unit number that is visible to the customer on the electric scooter.
- (4) All pricing charged to the customer shall clearly explain structure for ride and time period as well as fees for additional or overage periods.
- (5) All electric scooters must be available for pickup and drop off by customers on a 24-hour, seven (7) days per week basis except in instances of electric scooter disrepair, inclement weather or seasonal suspension of service.
- (6) All electric scooter rental operators shall provide a mechanism for customers to notify the operator that there is a safety or maintenance issue with an electric scooter, to include a telephone number, web address and email address.
- (7) All electric scooter rental operators must inform their customers on how and where electric scooter parking is permissible.
- (8) All electric scooter rental operators must have a 24-hour customer service phone number for customers and others to report safety concerns, complaints, or ask questions.
- (9) All electric scooter rental operators must provide the city with a direct point of contact for the electric scooter rental operator's staff that is capable of rebalancing, re-parking or otherwise addressing questions and concerns regarding the electric scooter rental operations.
- (10) All electric scooter rental operators shall remove all electric scooters that are not parked in compliance with this article.
- (11) All electric scooter rental operators shall implement a rebalancing management plan for the strategic location of their electric scooters.
- (12) All electric scooter rental operators must have a dedicated staff assigned to provide service for the city.
- (13) In the event city staff advises any electric scooter rental operator of a nuisance complaint, such electric scooter rental operator shall relocate or rebalance electric scooters within the following times:
  - (A) Monday through Sunday, 7:00 a.m. to 7:00 p.m. within three (3) hours of the operator receiving notice of incorrect parking.

- (B) All other times, by 10:00 a.m. the following calendar day.
- (14) Any electric scooter that becomes inoperable or is deemed not safe to operate by a customer or the electric scooter rental operator shall be removed from service within twenty-four (24) hours of notice to the electric scooter rental operator by any individual or entity and shall be repaired before returning the electric scooter into service.
- (15) The maximum fleet of electric scooters for use within the city of any electric scooter rental operator shall be established by the city under the permit but shall not exceed one hundred (100) electric scooters.
- (16) All electric scooter rental operators must reimburse the city for any costs incurred in addressing or abating any violations of this article, or costs incurred for repair or maintenance of public property. Upon receiving written notice of the costs incurred, the electric scooter rental operator shall reimburse the city for such costs within thirty (30) days. If reimbursement is not received by the city within thirty (30) days of written notice to the operator, the city may suspend or revoke the permit issued hereunder.
- (17) All electric scooter rental operators shall keep records of maintenance and reported accidents involving injury to persons or damage to property.
- (18) All electric scooter rental operators shall exercise care in deploying and activating the stand-up electric scooters during inclement weather and will remove from the public right-of-way and store off site all stand-up electric scooters during snow events and limit use. On days where snow is anticipated, all electric scooter rental operators will halt operations completely and remove its scooters from city rights-of-way. All electric scooter rental operators shall hold the city harmless for damage to scooters caused by city's snow removal operations or from street maintenance operations and for any damage caused to city vehicles by improper location and removal of scooters.
- (19) All customers shall comply with and be subject to rules and requirements of operation described in East Grand Forks City Code, Title VII VIII, chapter 78.

**118.11. Electric scooter parking requirements.**

All electric scooter rental operators must comply with the following parking restrictions:

- (1) Electric scooters shall not be parked against trees or within any landscape planting areas.
- (2) Electric scooters may not be parked in such a manner that will inhibit pedestrian movement or Americans with Disabilities Act (ADA) accessibility, which requires a minimum of forty-eight (48) inches of clear path on sidewalks and pedestrian ways.
- (3) Electric scooters shall not be parked within:
- (A) Transit zones, including bus stops and shelters, where prohibited;
  - (B) Loading zones;
  - (C) ADA handicapped parking zones;
  - (D) Curb ramps;
  - (E) Entryways and driveways;

- (F) On private property without owner's authorization;
- (G) In or on a public right-of-way where prohibited; or
- (H) On any highway, street, avenue, roadway or alley except where specifically designated.
- (4) No electric scooter shall be parked in one (1) location for more than seven (7) consecutive days without moving. During that time, electric scooter rental operator shall move to an approved location or otherwise rebalance electric scooter locations.
- (5) Electric scooters shall be upright when parked.
- (6) Electric scooters shall be parked on hard surfaces.
- (7) Electric scooters shall not be parked in a way that may impede the regular flow of travel in the public way or otherwise cause a violation of the Code.

**118.12. Mandatory data reporting.**

- (1) All electric scooter rental operators shall provide the following data for any electric scooter used in the electric scooter rental system upon request of the city, in a form and manner prescribed by the city:
  - (A) Company name;
  - (B) Trip record number;
  - (C) Trip duration;
  - (D) Trip distance;
  - (E) Start date;
  - (F) Start time;
  - (G) End date;
  - (H) End time;
  - (I) Start location by latitude and longitude;
  - (J) End location by latitude and longitude; and,
  - (K) Electric scooter I.D. number.
- (3) If available, electric scooter rental operator shall provide, upon request by the city administrator or his/her designee, anonymized demographic information regarding customer usage.
- (4) No electric scooter rental operator shall be required to provide any data under this City Code section 118.12 more than on a monthly basis.

**118.13. Power to adopt rules, regulations and policies.**

The city administrator or his/her designee is hereby authorized to develop and issue rules and regulations to further delineate reasonable requirements for the operation of an electric scooter rental system, including limits on the number of electric scooters (including per electric scooter rental operator); where

electric scooters and other electric scooter related merchandise may be stored or parked; requirements for bonding; the conduct and responsiveness of electric scooter rental operators; requirements for data sharing and reporting; restrictions on advertising and signage; seasonal suspension of service; costs; charges; administrative penalties; and other relevant matters to ensure safe and efficient operation of an electric scooter rental system within the city.

**118.14. Authorization to impound.**

The chief of police, or his/her designee, is hereby authorized to impound any electric scooters which are a nuisance, unpermitted, inoperable, being operated in violation of a permit, being operated in violation of this article or which are left in a location so as to obstruct any street, alley, bike path, sidewalk, multi-use path, trail, or other public right-of-way. The electric scooter rental operator shall be responsible for payment of all costs and penalties related to impoundment and storage of such electric scooters utilized by an electric scooter rental operator in their electric scooter rental system.

**118.15. Violations.**

Any person, firm, corporation or other entity violating any of the provisions of this article shall, upon conviction, be punished by a fine not to exceed five hundred dollars (\$500.00) per violation. Each day that a provision of this article is violated shall constitute a separate offense.

**SECTION 2. Effective Date.** This ordinance shall be effective immediately upon its passage and publication.

*Voting Aye: Riopelle, Helms, Olstad, Larson, Vetter, and Pokrzywinski.*  
*Voting Nay: None.*  
*Absent: Peterson.*

ATTEST:

PASSED: August 15, 2023

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing Ordinance this 15<sup>th</sup> day of August, 2023.

\_\_\_\_\_  
Mayor