

Uber, Lyft return to Austin as Texas Gov. Abbott signs ride-hailing measure into law

Gov. Greg Abbott signed into law a measure to regulate ride-hailing companies, establishing a statewide framework to regulate businesses such as Uber and Lyft.

BY ALEX SAMUELS MAY 29, 2017 UPDATED: 11 AM



As lawmakers and Lyft and Uber drivers look on, Gov. Abbott signs House Bill 100, which creates statewide regulations for ride-hailing companies, in Austin on May 29, 2017.

📷 Bob Daemmrich for The Texas Tribune

Editor's note: This story has been updated throughout.

Texas Gov. [Greg Abbott](#) on Monday signed into law a measure creating a statewide regulatory framework for ride-hailing companies, overriding local measures that prompted businesses such as Uber and Lyft to leave Austin and other cities.

Uber and Lyft said they resumed operations in Austin on Monday. Lyft also said it would relaunch in Houston on Wednesday (Uber is already operating in Houston.)

"What today really is is a celebration of freedom and free enterprise," Abbott said during a signing ceremony. "This is freedom for every Texan — especially those who live in the Austin area — to be able to choose the provider of their choice as it concerns transportation."

[House Bill 100](#) undoes local rules that the two companies have argued are overly burdensome for their business models. It requires ride-hailing companies to have a permit from the Texas Department of Licensing and Regulation and pay an annual fee of \$5,000 to operate throughout the state. It also calls for companies to perform local, state and national criminal background checks on drivers annually — but doesn't require drivers to be fingerprinted.

"Today's bill signing creates a ridesharing network in Texas that benefits consumers, expands transportation options, maximizes access to safe, affordable rides and creates expanded earning opportunities for Texans," Lyft spokeswoman Chelsea Harrison said. "Riders and drivers are the real winners today."

Lyft left Houston in November 2014 after a mandate went into effect requiring ride-hailing companies to perform fingerprint background checks on drivers.

After Austin implemented a fingerprinting rule, Uber and Lyft spent millions in a campaign last year to overturn it — an effort that ultimately failed when voters rejected a ballot proposition on the issue. After the vote, both companies immediately suspended services in the city, and the resulting ride-hailing vacuum attracted several start-up ride-hailing apps to Austin that have said they comply with the city's rules.

During Monday's ceremony, Abbott called it "disappointing" that Austin "rejected and jettisoned that very freedom from the customers who wanted to have a choice in what transportation provider they could choose."

"Today is also a day of tremendous free enterprise," Abbott added.

Following the passage of the bill in both chambers, however, Austin Mayor Steve Adler issued a statement saying he was "disappointed" the Legislature voted to nullify regulations the city had implemented.

"Our city should be proud of how we filled the gap created when Uber and Lyft left, and we now must hope that they return ready to compete in a way that reflects Austin's values," Adler wrote.

More than two-thirds of the members from each chamber supported the HB 100. That distinction matters because of a provision in the bill that allows it to go into effect immediately after the governor signs it instead of on Sept. 1.

The measure included a controversial amendment that defines "sex" as "the physical condition of being male or female." The amendment, proposed by state Reps. Tony Tinderholt, R-Arlington, and Briscoe Cain, R-Deer Park, comes amid a legislative session in which some GOP lawmakers have pushed for measures that would keep transgender Texans from using public bathrooms that match their gender identities. Uber and Lyft objected to the amendment, but did not withdraw their support of the measure. Several House Democrats took their names off the bill after the amendment passed.

Both the upper and lower chambers' bill sponsors have defended the amendment as "further defining something that's already defined."

Currently, 41 other states have adopted comprehensive ride-hailing laws similar to Texas' new law. The Florida Legislature also passed a statewide measure in mid-April.