

### 587.17 Bonds; liability agreement.

- (a) Evidence of liability protection may be furnished by filing with the Director a bond executed by a solvent and responsible surety company, authorized under the laws of Ohio, holding and binding the principal and sureties and conditioned that they will pay any judgment creditor, to the extent specified in such bond, any final judgment rendered against the owner or operator of each such taxicab by reason of such liability and to the extent provided in Section 587.14. The total amount of the bond shall be computed by the number of taxicabs to be licensed by the owner as follows:

Number of Taxicabs	Bond Amounts
1—5	\$300,000.00
6—15	\$315,000.00
16—50	\$345,000.00
51—150	\$390,000.00
151 or more	\$450,000.00

Such bond shall contain a further provision obligating the surety company to give twenty-one (21) days written notice before cancellation of the bond to the Director.

- (b) Evidence of liability protection may be provided by filing with the Director an agreement with the city that such applicant or owner shall pay all final judgments recovered against the owner or taxicab driver by reason of such liability as set forth in Section 587.14 and within the limits set forth in Section 587.14. Such limits shall be construed, however, to limit the liability of the owner only for the purposes of the agreement.
- (1) Such agreement shall be secured by the deposit by the applicant or owner of cash, or obligations of the United States government, or bank certificates of deposit, or bonds issued by the City, and deposited with the City Treasurer or placed in a custodial account as approved by the City. However, in case of discontinuance of the operation of taxicabs by the owner, the dissolution of the corporation or partnership authorized to provide liability protection for a group of owners under this subsection, or the subsequent substitution by an owner with the consent of the City of bonds or policies of insurance in lieu of such agreement, the City shall hold the cash or obligations deposited with the city under this section, or shall require the cash or obligations to remain in a custodial account approved by the City, for a period of time as shall equal the applicable state statute of limitations for the filing of claims by adult claimants for damages covered by Section 587.14. At the end of this period an appraisal shall be made of all claims pending against such owner and a sufficient amount of cash or collateral deposited shall be retained to guarantee the payment of such claims. The balance of the deposited cash or collateral shall be returned to the owner or owner corporation or partnership or their proper agent once there has been satisfactory proof that outstanding claims have been paid or satisfied.
- (2) The City shall not be obligated to pay any interest upon the deposited cash or collateral; nor shall the City be entitled to the accruals upon any collateral deposited under such agreement so long as there is no default on the obligation of the owner or owner corporation or partnership. Any interest accruing on cash or obligations deposited with the City for the purposes of providing liability protection under this subsection may ~~shall~~ be added to such fund for the purpose of providing additional liability protection or returned to the owner or owner corporation or partnership, if approved by the Director in consultation with the City Treasurer.
- (3) The amount of the deposits shall be computed by the number of taxicabs to be licensed by the owner or the number of taxicabs licensed by the owners participating in an owner corporation or partnership permitted by this subsection as follows:

Number of Taxicabs	Bond Amounts
1—5	\$300,000.00

6—15	\$315,000.00
16—50	\$345,000.00
51—150	\$390,000.00
151 or more	\$450,000.00

The requirements of this subsection may be fulfilled by an initial deposit of one hundred and twenty thousand dollars (\$120,000.00) by the owner with the City Treasurer followed by three (3) deposits of sixty thousand dollars (\$60,000.00) each every ninety (90) days thereafter and five (5) deposits of thirty thousand dollars (\$30,000.00) each every ninety (90) days thereafter until the amount required by this section is deposited with the City Treasurer.

If the amount deposited with the City Treasurer falls below one hundred and twenty thousand dollars (\$120,000.00) then within thirty (30) days the owner shall deposit with the City Treasurer an amount equal to one hundred and twenty thousand dollars (\$120,000.00) and thereafter make deposits as set forth in this subsection until the total amount required to be deposited is reached. If the amount deposited with the City Treasurer falls between one hundred and twenty thousand dollars (\$120,000.00) and one hundred and eighty thousand dollars (\$180,000.00) then within thirty (30) days the owner shall deposit with the City Treasurer an amount equal to one hundred and eighty thousand dollars (\$180,000.00) and thereafter make deposits as set forth in this subsection until the total amount required to be deposited is reached. If the amount deposited with the City Treasurer falls between one hundred and eighty thousand dollars (\$180,000.00) and two hundred and forty thousand dollars (\$240,000.00) then within thirty (30) days the owner shall deposit with the City Treasurer an amount equal to two hundred and forty thousand dollars (\$240,000.00) and thereafter make deposits as set forth in this subsection until the total amount required to be deposited is reached. If the amount deposited with the City Treasurer falls between two hundred and forty thousand dollars (\$240,000.00) and three hundred thousand dollars (\$300,000.00) then within thirty (30) days the owner shall deposit with the City Treasurer an amount equal to three hundred thousand dollars (\$300,000.00) and thereafter make deposits as set forth in this subsection until the total amount required to be deposited is reached. If the amount deposited with the City Treasurer falls between three hundred thousand dollars (\$300,000.00) and the amount required to be deposited with the City Treasurer by this subsection then within thirty (30) days the owner shall make an additional deposit of thirty thousand dollars (\$30,000.00) every ninety (90) days until the total amount required to be deposited is reached.

- (4) For the purpose of providing liability protection required by Section 587.14, an association of taxicab owners may create a partnership or corporation for the purpose of providing the liability protection required by Section 587.14 for the owner members of such partnership or corporation. Such partnership or corporation shall be registered with the Secretary of State and Department of Building and Zoning Services. The partnership or corporation may provide evidence of liability protection required by Section 587.14 for each taxicab owner who is a member of the partnership or corporation by filing a liability agreement as provided in Section 587.17(b) that agrees to pay all final judgments recovered against any owner who is a member of the partnership or corporation within the limits set forth in Section 587.14. This agreement shall be secured by the partnership or corporation's deposit of cash or obligations of the United States Government, deposit of bank certificates or bond issued by the City of Columbus with the City Treasurer, or placed in a custodial account as approved by the city, the amounts and under the conditions set forth in Section 587.17(b)(1), (2) and (3). The partnership or corporation shall be considered one (1) partnership for such purposes.

The partnership or corporation shall immediately provide to the Director the names and addresses of all owners and taxicabs operated by owners that are covered under the partnership or corporation's liability protection. The partnership or corporation shall notify the Director in writing twenty-one (21) days prior to the cancellation, change of cancellation or of any change in the membership status of any owner or member which would result in the owner or members having less than the minimum amount of liability coverage required with the organization.