

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 118036

AN ORDINANCE relating to companies and drivers of a new type of for-hire vehicle in order to create a pilot program for transportation network companies and affiliated drivers and vehicles: establishing minimum operating requirements for transportation network companies and affiliated drivers; imposing vehicle inspections; imposing a zero tolerance drug use policy for affiliated drivers; imposing minimum insurance requirements for transportation network companies and affiliated vehicles; requiring rate transparency for transportation network companies; and establishing licensing fees; raising the maximum number of taxicab licenses issued by the City; revising terminology; adding new sections and amending various Sections of Chapter 6.310 of the Seattle Municipal Code.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council ("Council") makes the following legislative findings of fact and declarations:

1. The Council finds that technology that allows consumers to directly dispatch drivers for trips via the internet using mobile interfaces such as smartphone applications, ("application dispatch") did not exist in Seattle when for-hire driver and vehicle regulations were last amended by Ordinance 122763 in 2008; and

2. The Council caused a taxi, for-hire, and limousine services demand study ("demand study") to be undertaken to evaluate passenger demand and assess the quality of service and the final study was completed by consultants on September 3, 2013; and

3. The Council finds, and the demand study supports, that the public is receptive to application dispatch technology and such technology is capturing a growing share of the traditional taxicab and for-hire vehicle market, especially during periods of peak demand¹; and

¹ 2013 City of Seattle and King County Taxi, For Hire Vehicle and Limousine Services Demand Study, Final Report, page 22



1 4. The Council finds, and the demand study supports, that some companies using
2 application dispatch technology to offer transportation services in Seattle are unlicensed and
3 affiliated with unlicensed for-hire drivers (unlicensed drivers) and vehicles²; and

4 5. The Council finds that as the use of application dispatch technology by unlicensed
5 companies, vehicles, and drivers raises significant public safety and consumer protection
6 concerns; and

7 6. The Council finds that the use of application dispatch technology by unlicensed
8 companies and drivers are competing with existing licensed taxicab and for-hire drivers in the
9 transportation market and causing negative impacts; and

10 7. The Council finds that unlicensed drivers using application dispatch technology are
11 providing trips as for-hire drivers via a new type of for-hire vehicle because they are operating
12 motor vehicles used for the transportation of passengers for compensation and these drivers are
13 currently operating illegally without for-hire driver licenses or regulatory oversight; and

14 8. The Council finds that companies providing transportation services via application
15 dispatch with unlicensed affiliated drivers are operating illegally without a license or regulatory
16 oversight; and

17 9. The Council finds that there is no gratuitous purpose for offering and receiving
18 transportation services, and unlicensed drivers and companies using application dispatch
19 technology offer transportation services for compensation for the following nonexclusive
20 reasons: the companies are registered for-profit corporations, drivers are recruited with promises
21 to be paid, drivers intend to be paid, and passengers are paying for services rendered; and

22 10. The Council finds that the creation of a pilot program, establishing minimum
23 operating requirements for unlicensed drivers and unlicensed companies using application
24 dispatch technology is appropriate and necessary to protect the safety of the public; and

25 _____
26 ² *Id.*



1 11. The Council finds a pilot program establishing transparency of rates prior to a
2 passenger initiating a ride via application dispatch is appropriate and necessary for consumer
3 protection; and

4 12. The Council finds that the creation of a pilot program regulating unlicensed
5 companies and affiliated drivers using application dispatch technology will promote fair
6 competition among other licensed transportation providers; and

7 13. The Council finds that the creation of a pilot program strikes a balance between
8 safety and innovation, so that regulation provides a safety net that the public can rely on for its
9 protection while new businesses innovate and use technology to better the lives of
10 Washingtonians;

11 14. The Council finds that the issuance of an additional 75 taxicab licenses per year for
12 the years 2014 and 2015 as authorized by SMC 6.310.500(D) would promote fair competition
13 and meet current and future demand for efficient and economical for-hire transportation services;
14 and

15 15. The Council finds it necessary to review the pilot program to ensure it is fulfilling its
16 purpose of promoting public safety, consumer protection and fair competition, so City Council
17 will assess the benefits and any negative unintended consequences of the pilot program by no
18 later than December 31, 2015. The review of the pilot program shall include an assessment of
19 taxi industry trips and revenue, the percentage of taxi industry trips that are dispatched on any
20 platform, the response times for any companies in the dispatch market, the locations of rejected
21 rides by any companies in the dispatch market, the financial burdens of drivers across the
22 different platforms, any available data about driver experiences and driver migrations across
23 platforms, collisions, driver violations, rates, and customer satisfaction rates and complaints. If
24 no further action is taken by City Council, the program will automatically sunset on June 30,
25 2016; and



1 16. The Council finds that it has the authority to establish code to regulate for-hire
2 vehicles as granted by Article 11, Section 11 of the Washington State Constitution and RCW
3 46.72.160.

4 NOW, THEREFORE,

5 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

6 Section 2. Section 6.310.100 of the Seattle Municipal Code, last amended by Ordinance
7 118341, is amended as follows:

8 **6.310.100 Purpose((-))**

9 A. Transportation network companies (TNC) provide application dispatch services
10 (technology that allows consumers to directly request dispatch of for-hire drivers for trips via the
11 internet using mobile interfaces such as smartphone applications.) to connect drivers with
12 passengers for transportation services. While active on a TNC dispatch system, TNC drivers are
13 for-hire drivers operating for-hire vehicles. The ordinance codified in this chapter is an exercise
14 of The City of Seattle's power to license for-hire vehicles, taxicabs, for-hire drivers ((and))
15 taxicab associations, and transportation network companies, and issue TNC vehicle
16 endorsements, for regulations and revenue. Some of its regulatory purposes are to increase the
17 safety, reliability, cost-effectiveness, and the economic viability and stability of privately-
18 operated for-hire vehicle and taxicab services within The City of Seattle. This chapter is not
19 intended to regulate limousines and is consistent and compliant with RCW Chapter 46.72A.

20 B. The Director shall not issue or renew any TNC vehicle endorsements or TNC licenses
21 that would allow a TNC or TNC driver to operate beyond June 30, 2016. Any TNC licenses or
22 TNC vehicle endorsements whose expiration date would fall beyond June 30, 2016 shall expire
23 on July 1, 2016.

24 C. The Director may issue a moratorium suspending the issuance of TNC vehicle
25 endorsements or TNC licenses upon finding that the continued issuance of TNC vehicle
26 endorsements or TNC licenses threatens public safety or raises substantial consumer protection
27



1 concerns. In making such a finding the Director may consider, but is not limited to
2 considering: consumer complaints, the stability of the market for taxi and for-hire
3 transportation services, consumer demand for transportation services, and the financial
4 viability of transportation service providers. Where the issuance of TNC vehicle endorsements
5 or TNC licenses has been suspended pursuant to this subsection, the suspension shall last no
6 more than 180 days.

7 Section 3. Section 6.310.110 of the Seattle Municipal Code, last amended by
8 Ordinance 123361, is amended as follows:

9 **6.310.110 Definitions(~~-~~)**

10 For the purposes of this chapter and unless the context plainly requires otherwise, the
11 following definitions apply:

12 “Active on the TNC dispatch system” includes but is not limited to: when the driver is
13 logged onto the transportation network company (TNC) application dispatch system showing
14 that the driver is available to pick up passengers; when a passenger is in the vehicle; when
15 TNC dispatch records show the vehicle is dispatched; or when the driver has accepted a
16 dispatch and is enroute to provide transportation services to a passenger.

17 ~~((A-))~~ "Affected licensee" means any licensee that may incur some penalty as a result of
18 a violation. For example, if a for-hire driver of a taxicab commits a violation, the for-hire
19 driver, the taxicab owner, and the taxicab association with which that taxicab is associated are
20 all affected licensees.

21 ~~((B-))~~ "Affiliated taxicab" means a taxicab licensed to operate within a particular
22 taxicab association.

23 “Application dispatch” means technology that allows consumers to directly request
24 dispatch of for-hire drivers for trips via the internet using mobile interfaces such as smartphone
25 applications.

1 ~~((C-))~~ "Approved mechanic" means a mechanic on a list maintained by the Director.

2 The list shall contain the name of each mechanic that has applied to the Director for inclusion
3 and who (1) has met all requirements of the National Institute for Automotive Service
4 Excellence, (2) has been awarded a Certificate in Evidence of Competence satisfactory to the
5 Director, (3) does not own, lease or drive a taxicab or for-hire vehicle, and (4) has no financial
6 interest, including any employment interest, in any taxicab association, taxicab or for-hire
7 vehicle or in any company that owns or leases taxicabs or for-hire vehicles.

8 "Business service contract" means a written contract between a for-hire driver or a for-hire
9 driver's representative and a business entity authorizing the for-hire driver to pick up
10 passengers at the business entity's place of business.

11 ~~((D-))~~ "Certificate of Safety" means a document from an approved mechanic certifying
12 that a particular vehicle meets all vehicle safety standards set forth in this chapter and in
13 regulations adopted pursuant to this chapter.

14 ~~((E-))~~ "Committed a violation" means that a licensee has been issued a Notice of
15 Violation and either has not contested the violation or did contest the violation but lost.

16 ~~((F-))~~ "Community Development Financial Institution" means a non-profit loan fund
17 certified by the Community Development Financial Institution Fund of the U.S. Department of
18 the Treasury, that serves economically distressed communities and underserved populations
19 by providing credit, capital and financial services that are normally unavailable from
20 traditional financial institutions.

21 "Compensation" means remuneration or anything of economic value that is provided,
22 promised, or donated primarily in exchange for services rendered. This includes, but is not
23 limited to voluntary donations, fee-sharing between a taxicab association or transportation
24 network company and an affiliated driver, advertisement of a taxicab association or
25 transportation network company services, and increased patronage for taxicab association or
26 transportation network company services.



1 ~~((G.))~~ "Contract rate" means the rate specified in a written contract signed by both
2 parties before the dispatch of a taxicab or for-hire vehicle for the services identified in the
3 contract. Contracts for package delivery may be made on an oral basis.

4 ~~((H.))~~ "Department" means the Department of Finance and Administrative Services of
5 The City of Seattle, or any department that succeeds to the Department's duties under this
6 chapter.

7 ~~((I.))~~ "Director" means the Director of Finance and Administrative Services or the
8 director of any successor department and the Director's authorized designee.

9 ~~((J.))~~ "For-hire driver" means any person in physical control of a taxicab or for-hire
10 vehicle, who is required to be licensed under this chapter. The term includes a lease driver,
11 owner/operator, or employee, who drives taxicabs or for-hire vehicles, including vehicles
12 dispatched by transportation network companies.

13 ~~((K.))~~ "For-hire vehicle" means any motor vehicle used for the transportation of
14 passengers for compensation, except:

- 15 1. Taxicabs as defined in this chapter;
- 16 2. School buses operating exclusively under a contract to a school district;
- 17 3. Ride-sharing vehicles under Chapter 46.74 RCW;
- 18 4. Limousine carriers licensed under Chapter ~~((81.90))~~ 46.72A RCW;
- 19 5. Vehicles used by nonprofit transportation providers solely for elderly or
20 handicapped persons and their attendants under Chapter 81.66 RCW;
- 21 6. Vehicles used by auto transportation companies licensed under Chapter 81.68
22 RCW;
- 23 7. Vehicles used to provide courtesy transportation at no charge to and from
24 parking lots, hotels, and rental offices; and
- 25 8. Vehicles licensed under, and used to provide "charter party carrier" and
26 "excursion service carrier" services as defined in, and required by, Chapter 81.70 RCW.



1 ((L-)) "Handicapped person" means any person who, by reason of illness, injury, age,
2 congenital malfunction, or other permanent or temporary incapacity or disability, is unable
3 without special facilities or special planning or design to use mass transportation facilities and
4 services as efficiently as persons who are not so affected. Handicapped persons include
5 ambulatory persons whose capacities are hindered by sensory disabilities such as blindness or
6 deafness, such mental disabilities as mental retardation or emotional illness, and physical
7 disabilities that still permit the person to walk comfortably, or a combination of these
8 disabilities. It also includes a semiambulatory person who requires such special aids to travel
9 as canes, crutches, walkers, respirators, or human assistance, and a nonambulatory person who
10 must use wheelchairs or wheelchair-like equipment to travel.

11 ((M-)) "Knowingly permit" means (1) to know of an action or condition that violates
12 this chapter or any regulation promulgated pursuant to this chapter, and (2) to fail to take
13 reasonable steps to cure the violation and to prevent future violations. There is a rebuttable
14 presumption that a person knows a fact, action or condition of which a reasonable person in the
15 same position would have knowledge.

16 ((N-)) "Lease driver" means a for-hire driver who is an independent contractor/sole
17 proprietor who has leased a taxicab or for-hire vehicle from a taxicab or for-hire vehicle
18 licensee or taxicab association.

19 ((O-)) "Lender" means a bank, trust company, mutual savings bank, savings and loan
20 association, or credit union authorized to do business and accept deposits in this state under
21 state or federal law and includes a Community Development Financial Institution qualified and
22 approved by the Director to provide loans to licensees under Section 6.310.380

23 ((P-)) "Lessor" means a licensee of a taxicab or for-hire vehicle who leases to a lease
24 driver.



1 ~~((Q-))~~ "Licensee" means any person or entity licensed under this chapter, including for-
2 hire drivers, taxicab or for-hire vehicle owners, ~~((and))~~ taxicab associations, and transportation
3 network companies.

4 ~~((R-))~~ "Motor vehicle" means every motorized vehicle by or upon which any person
5 may be transported or carried upon a public street, highway or alley; provided, that vehicles
6 used exclusively upon stationary rail tracks or propelled by use of overhead electric wires are
7 not considered motor vehicles for purposes of this chapter.

8 ~~((S-))~~ "Operating in The City of Seattle" means owning, leasing, advertising, driving,
9 occupying and/or otherwise using a taxicab or for-hire vehicle that at any time transports any
10 passenger or item for compensation from a point within the geographical confines of The City
11 of Seattle. The vehicle is considered to be operating during the administering of inspections at
12 the City's inspection facility. The term does not include being in control of a vehicle that is
13 physically inoperable. A taxicab association is "operating in The City of Seattle" if it
14 represents or includes any taxicab that at any time transports any passenger or item for
15 compensation from a point within the geographical confines of The City of Seattle. A
16 transportation network company is "operating in The City of Seattle" if it provides application
17 dispatch services to any affiliated driver at any time for the transport of any passenger for
18 compensation from a point within the geographical confines of The City of Seattle.

19 ~~((T-))~~ "Owner" means the person whose lawful right of possession of a taxicab or for-
20 hire vehicle has most recently been recorded with the state Department of Motor Vehicles.

21 "Personal vehicle" means a vehicle that is not a taxicab or for-hire vehicle licensed
22 under this chapter and that is not used for a commercial purpose.

23 ~~((U-))~~ "Senior Citizen" means any person over the age of 60 with a valid identification
24 confirming that person's age.

25 ~~((V-))~~ "Special rate" means discounted rates for senior citizens and handicapped
26 persons.



1 ((W.)) "Taxicab" means every motor vehicle:

2 1. That is held out to the public as providing transportation to passengers or
3 articles for hire;

4 2. Where the route traveled or destination is controlled by the customer;

5 3. That carries signs or indicia of a taxicab, including the words "taxi,"
6 "taxicab," or "cab"; and

7 4. Where the fare is based on an amount recorded and indicated on a taximeter,
8 or by a special contract rate permitted under this chapter. Despite the foregoing, "taxicab" does
9 not include those vehicles listed in Section 6.310.110 J2-J8 or for-hire vehicles.

10 ((X.)) "Taxicab association" means a person or ((organization)) entity licensed under
11 this chapter that represents or owns at least 15 taxicabs licensed by the City that use the same
12 color scheme, trade name, and dispatch services. An individual person may be a taxicab
13 association as long as that individual owns or represents at least 15 taxicabs and otherwise
14 meets the requirements of this chapter; provided, that for taxicab associations formed in
15 connection with the wheelchair accessible taxicab demonstration project provided for under
16 this chapter, the Director may waive the requirement for such taxicab associations to have 15
17 licensed taxicabs and any taxicab association license fee for the duration of the demonstration
18 project.

19 ((Y.)) "Taxicab association representative" means the person or persons that a taxicab
20 association has authorized to:

21 1. File applications, special contract rates and charges on behalf of the taxicab
22 association and individual owners in the taxicab association; and

23 2. Receive and accept all correspondence and notices from the City pertaining
24 to the taxicab association, or to the taxicabs, taxicab owners and/or for-hire drivers operating
25 within the taxicab association; and



1 3. Forward any correspondence, notices and/or legal process received by the
2 association and intended for a taxicab owner and/or taxicab driver operating within the taxicab
3 association.

4 ~~((Z-))~~ "Taximeter" means any instrument or device by which the charge for hire of a
5 passenger carrying vehicle is measured or calculated either for the distance traveled by such
6 vehicle or for waiting time, or for both, and upon which such calculated charges shall be
7 indicated by means of figures.

8 "Trade dress" means the unique visual element associated with a transportation
9 network company that is attached to a vehicle affiliated with a TNC so the public and
10 passengers can identify the vehicle as being associated with that particular TNC. Trade dresses
11 are not mandatory and must be approved by the Director.

12 "Transportation network company" (TNC) means a person or entity licensed under this
13 chapter affiliated with TNC drivers that provides application dispatch services via one unique
14 application dispatch system to connect TNC drivers with passengers for the transport of
15 passengers for compensation and meeting the licensing requirements of Section 6.310.130 and
16 any other requirements under this chapter.

17 "Transportation network company (TNC) driver" means a licensed for-hire driver
18 affiliated with and accepting dispatched trips from a licensed transportation network company,
19 while operating either a for-hire vehicle or taxicab licensed under this chapter ("TNC licensed
20 driver") or a personal vehicle with a TNC vehicle endorsement ("TNC endorsed driver"). For
21 purposes of this chapter, at any time while a driver is active on the TNC dispatch system, the
22 driver is considered a TNC driver.

23 "Transportation network company (TNC) licensed driver" means a licensed for-hire
24 driver affiliated with and accepting dispatched trips from a licensed transportation network
25 company, while operating a for-hire vehicle or taxicab licensed under this chapter.



1 “Transportation network company (TNC) endorsed driver” means a licensed for-hire
2 driver affiliated with and accepting dispatched trips from a licensed transportation network
3 company, while operating a personal vehicle with a TNC vehicle endorsement.

4 “Transportation network company (TNC) representative” means the person or
5 persons that a transportation network company has authorized to:

- 6 1. File applications, rates and charges on behalf of the TNC;
7 2. Receive and accept all correspondence and notices from the City pertaining
8 to the TNC, or to affiliated drivers operating within the TNC; and
9 3. Forward any correspondence, notices and/or legal process received by the
10 TNC and intended for an affiliated driver operating within the TNC.

11 “Transportation network company (TNC) vehicle endorsement” means an endorsement
12 on a for-hire driver’s license for a personal vehicle that allows the for-hire driver to use the
13 endorsed vehicle to affiliate with a transportation network company in order to provide
14 transportation to passengers via an application dispatch system. The endorsement
15 demonstrates that the vehicle has met the minimum operating requirements as set forth in
16 Sections 6.310.325 and 6.310.327.

17 ((AA.)) “Wheelchair accessible taxicab” or “Wheelchair accessible for-hire vehicle”
18 means a taxicab or for-hire vehicle designed or modified to transport passengers in wheelchairs
19 or other mobility devices and conforming to the requirements of the Americans with
20 Disabilities Act (ADA), and inspected and approved by the Director.

21 Section 4. Section 6.310.120 of the Seattle Municipal Code, last amended by Ordinance
22 118341, is amended as follows:

23 **6.310.120 Scope((-))**

24 This chapter applies to all taxicab associations, all taxicabs, all for-hire vehicles and all
25 for-hire drivers operating ((with))in The City of Seattle. This chapter does not apply to for-hire
26 drivers with valid King County for-hire driver’s licenses operating for-hire vehicles with valid
27



1 King County only for-hire vehicles licenses that have proof that they are operating the for-hire
2 vehicle pursuant to a business service contract on file with the Director. This chapter is not
3 intended to be a part of the New License Code, Chapter 6.202 et seq.

4 Section 5. Section 6.310.125 of the Seattle Municipal Code, last amended by Ordinance
5 121738, is amended as follows:

6 **6.310.125 Violation classifications((-))**

7 A. Requirements contained within this chapter shall specify violation classifications in
8 parentheses for the purpose of assessing monetary penalties and penalty points. General
9 provisions for penalty enforcement are set forth in ((SMC)) Sections 6.310.600, 6.310.605,
10 6.310.610, and 6.310.635. Monetary penalties and penalty points for each violation
11 classification are specifically set forth in ((SMC)) Section 6.310.605.

12 B. Violation classifications are as follows:

- 13 1. Class A - violations of administrative or non-safety requirements.
14 2. Class B - violations of safety requirements.
15 3. Class C - other serious violations.
16 4. Suspensions, revocations, and denials of licenses or TNC vehicle
17 endorsements are imposed when taxicab associations, transportation network companies,
18 taxicab licensees, or for-hire drivers fail to comply with licensing or endorsement requirements
19 pursuant to this chapter, or there is an immediate safety concern with the taxicab or for-hire
20 vehicle.

21 Section 6. Section 6.310.130 of the Seattle Municipal Code, last amended by Ordinance
22 119872, is amended as follows:

23 **6.310.130 Licenses required((-))**

24 A. It is unlawful to own, lease, drive or otherwise operate within The City of Seattle
25 any taxicab or for-hire vehicle, not affiliated with and dispatched by a licensed transportation
26 network company, within the scope of this chapter, unless:



- 1 1. The for-hire driver has a valid license issued under this chapter;
- 2 2. The for-hire vehicle or taxicab has a valid license issued under this chapter.
- 3 3. If the vehicle is a taxicab, the taxicab is affiliated with a taxicab association
- 4 licensed under this chapter;
- 5 4. The for-hire driver that operates a taxicab is affiliated with a taxicab
- 6 association licensed under this chapter.

7 B. It is unlawful to operate within The City of Seattle as a transportation network
8 company (TNC) driver, unless:

- 9 1. The driver has a valid for-hire driver's license issued under this chapter;
- 10 2. The vehicle is either:
 - 11 a. A personal vehicle with a TNC vehicle endorsement, or
 - 12 b. A for-hire vehicle or taxicab licensed under this chapter; and
- 13 3. The driver is affiliated with a TNC licensed under this chapter.

14 ~~((B.))~~C. It is unlawful to operate a taxicab association within ((t))The City of Seattle
15 without a valid license issued pursuant to this chapter.

16 D. It is unlawful to operate as a transportation network company within The City of
17 Seattle without a valid license issued under this chapter.

18 E. It is unlawful to operate an application dispatch system within The City of Seattle
19 unless:

- 20 1. The person or entity is a licensed transportation network company; or
- 21 2. The person or entity uses the application dispatch system exclusively for
22 taxicabs and/or for-hire vehicles licensed under this chapter.

23 ~~((C.))~~E. The regulatory licenses issued to for-hire drivers, for-hire vehicles, taxicabs,
24 ((and)) taxicab associations, and transportation network companies under this chapter shall be
25 suspended by the Director if the for-hire driver, for-hire vehicle, taxicab, ((or)) taxicab
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27



1 association, or transportation network company does not maintain a required current business
2 license issued by The City of Seattle.

3 Section 7. Section 6.310.150 of the Seattle Municipal Code, last amended by Ordinance
4 123472, is amended as follows:

5 **6.310.150 Fees((=))**

6 ***

7 C. For-hire driver license:

8 Annual fee \$50

9 Add/change affiliation*((**)) \$20

10 Late fee \$15

11 ID photo \$5

12 Fingerprinting Charge as determined by Director to cover costs

13 Replacement license \$5

14 Training class fee As determined by Director

15 *((**)) For-hire drivers may only be affiliated with a combined maximum of three
16 taxicab associations or transportation network companies at any given time. This fee is only
17 charged when the driver is affiliated with three taxicab associations or transportation network
18 companies and now wants to delete one association or company and add another.

19 D. Transportation Network Company (TNC) Vehicle Endorsement for For-Hire

20 Driver's License:

21 Annual vehicle endorsement fee...\$50

22 Change affiliation...\$20

23 Change vehicle...\$20

24 Change vehicle license plate...\$10

25 Late fee \$15

26 ID photo \$5



1 ((7))6. The special and/or contract rates that will be charged by taxicabs affiliated with the
2 taxicab association; and

3 ((8))7. Any other information required by regulations adopted pursuant to this chapter.

4 ((9))8. The above application and information must be completed for each annual license
5 renewal.

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8 Section 9. A new Section 6.310.260 to Seattle Municipal Code is adopted, as follows:

9 **6.310.260 Transportation network company license eligibility and application**

10 A. Any business or individual desiring to operate as a transportation network company
11 within The City of Seattle shall file with the Director a signed and notarized transportation
12 network company license application on forms provided by the Director.

13 1. To be eligible for a license, the transportation network company is limited to
14 providing application dispatch services to transportation network company drivers meeting the
15 requirements set forth in Section 6.310.452.

16 2. The license application shall include the following information:

17 a. The applicant transportation network company's name, business street
18 address and post office box address (if any), business facsimile number, business phone
19 number and business email address where the transportation network company representative
20 can generally be reached between 9 a.m. and 5 p.m. on all nonholiday weekdays;

21 b. The form of business entity under which the association will operate
22 (e.g. corporation, partnership, cooperative association);

23 i. If the applicant transportation network company is individually
24 owned, the name, business address (or home address if no business address), telephone number
25 and date of birth of the owner, or



1 ii. If the applicant transportation network company is a
2 corporation, partnership or other business entity, the names, home and business addresses,
3 telephone numbers, and date of birth of all officers, directors, general and managing partners,
4 registered agents, and of all other persons vested with authority to manage or direct the affairs
5 of the legal entity or to bind the legal entity in dealings with third parties, and the entity's true
6 legal name, state of incorporation or registration with the Secretary of State of the State of
7 Washington (if any) and State of Washington business license number, and any other
8 information that the Director may reasonably require;

9 c. Verification of applicant's unique application dispatch system, as
10 approved by the Director;

11 d. The trade dress the applicant transportation network company
12 proposes to use, if any, for each affiliated driver's vehicle, with a photo of the trade dress
13 submitted with the application. The trade dress may be placed on the vehicle body, but not on
14 the roof or covering any windows, vehicle lights, or obscuring the view of any mirrors, and
15 cannot exceed four square feet;

16 e. The name, address, phone number and date of birth of the
17 transportation network company representative;

18 f. The for-hire driver license number with TNC vehicle endorsement (if
19 applicable), vehicle make, model, and year, and the name of each transportation network
20 company driver affiliated with the transportation network company;

21 g. Evidence that each vehicle affiliated with a transportation network
22 company has insurance in an amount no less than required by RCW 46.72.050 and
23 underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and
24 \$300,000 per accident, at any time while active on the TNC dispatch system. This requirement
25 may be met by either:
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1 1) Providing an insurance policy or insurance binder meeting the requirements set by
2 subsections 6.310.300(5)(a)-(d) and (6), demonstrating compliance with RCW 46.72 for each
3 vehicle affiliated with a TNC; or

4 2) Providing an insurance policy or insurance binder demonstrating that the
5 transportation network company has auto liability insurance that provides a minimum of
6 \$1,000,000 per accident coverage for accidents involving a transportation network company
7 driver and vehicle while active on the TNC dispatch system and meets state requirements per
8 RCW 46.72.050. The Director may require a statement on Department of Licensing letterhead
9 verifying that the policy meets state requirements. In addition, the Director shall review the
10 insurance policy to determine that it adequately protects the public. The insurance policy or
11 insurance binder must be submitted to the Director and shall:

12 i. Be issued by an admitted carrier in the State of Washington
13 with an A.M. Best Rating of not less than A- VII; provided however, that the Director may
14 temporarily suspend any or all of these requirements if no other viable insurance options are
15 available to the industry,

16 ii. Name The City of Seattle as an additional insured,

17 iii. Provide that the insurer will notify the Director, in writing, of
18 any cancellation and/or non-renewal at least 30 days before that cancellation and/or non-
19 renewal takes effect, and

20 iv. Not include self-insured retention, nonstandard deductibles,
21 aggregate limits, territorial restrictions, named driver requirements, or any other provisions that
22 limit insurance coverage.

23 v. In the event the TNC driver fails to maintain personal auto
24 insurance that covers commercial activity while active on the TNC dispatch system or
25 commercial auto insurance or the TNC driver's insurer denies coverage for the claim, the
26 transportation network company's auto insurance shall be exclusive and primary. In the event
27



1 the limits of liability provided by the TNC driver's personal or commercial auto insurance are
2 exhausted due to claim payment and/or settlement, the transportation network company's auto
3 insurance will drop down over exhausted limits.

4 vi. Provides uninsured/underinsured motorist coverage for bodily
5 injury and property damages with limits no less than \$100,000 each person, and \$300,000 each
6 accident or \$300,000 combined single limit of liability to any for-hire vehicle affiliated with
7 the transportation network company.

8 h. State of Washington for-hire certificate as required by RCW
9 46.72.070 for each transportation network company driver.

10 i. State of Washington vehicle registration for each vehicle affiliated
11 with the transportation network company.

12 j. Certificate of 19-point inspection for each vehicle affiliated with the
13 transportation network company as required in Section 6.310.270(X).

14 k. Dispatch records identifying the average and minimum and
15 maximum number of drivers and number of dispatches on the TNC dispatch system per day for
16 the six months prior to the date of application. TNCs that were not operating in Seattle prior to
17 the effective date of this ordinance do not need to provide these records. This information may
18 be used by the Director to assist in drafting the pilot program assessment report for review by
19 Council.

20 l. Any other information required by regulations adopted pursuant to this
21 chapter.

22 m. The above application and information must be completed for each
23 annual license renewal.

24 B. All applications submitted to the Director must be accompanied by the license fee
25 set forth in Section 6.310.150.



1 C. The transportation network company applicant or licensee must inform the Director
2 in writing within seven days if any of the information provided pursuant to Section
3 6.310.260.A changes, ceases to be true or is superseded in any way by new information.

4 D. A transportation network company license is valid for no more than one year. No
5 transportation network company license may be renewed unless the renewal fee has been paid
6 and all outstanding penalties assessed against the transportation network company and its
7 affiliated drivers have been paid to the Director. The Director shall not renew the
8 transportation network company license unless the Director determines that the transportation
9 network company's continued operation is in the public interest. All denials of renewal
10 applications must be set forth in writing, together with the reasons for denial. The written
11 denial shall be delivered either personally or by first class mail to the address provided by the
12 applicant on the license renewal application.

13 Section 10. A new Section 6.310.265 to Seattle Municipal Code is adopted, as follows:

14 **6.310.265 Transportation network company (TNC) standards for license application or**
15 **renewal denial**

16 A. The operation of a TNC is a privilege, not a right. The TNC's ability to satisfy
17 stated criteria for a TNC license does not create a right to a TNC license.

18 B. The Director shall deny any TNC license application if the Director determines that:

- 19 1. The applicant fails to submit proof of insurance as required by Section
20 6.310.260.
- 21 2. The applicant provides application dispatch services to anyone other than
22 TNC drivers meeting the requirements set forth in Section 6.310.452;
- 23 3. The applicant uses more than one application dispatch system;
- 24 4. The applicant leases, permits, or otherwise allows others to use its application
25 dispatch system;



1 5. The applicant affiliates with and provides application dispatch services to
2 drivers without a for-hire vehicle driver's license;

3 6. The applicant affiliates with and provides application dispatch services to
4 drivers operating vehicles without a for-hire vehicle or taxicab license, or a vehicle without a
5 TNC vehicle endorsement.

6 7. The application has a material misstatement or omission;

7 8. The application is incomplete; and/or

8 9. Within three years of the date of application, the applicant, or any owner,
9 officer, director, managing partner, general partner or principal of the applicant, has had a bail
10 forfeiture, conviction or other final adverse finding for crimes of fraud, theft, larceny,
11 extortion, embezzlement, racketeering, Uniform Controlled Substances Act, prostitution,
12 alcohol and/or narcotics where the commission of such crime(s) involved a TNC, vehicle
13 affiliated with a TNC, or TNC driver.

14 C. The Director may deny any TNC license application if the Director determines that,
15 within five years of the date of application, the TNC applicant, or if the TNC applicant is a
16 business entity, any officer, director, managing partner, general partner, registered agent or
17 principal of the TNC:

18 1. Within five years of the date of application, has had a bail forfeiture,
19 conviction or other final adverse finding involving crimes directly related to the applicant's
20 ability to operate a TNC, including but not limited to prostitution, gambling, fraud, larceny,
21 extortion, income tax evasion; and/or

22 2. Has exhibited past conduct, as evidenced by a criminal conviction, bail
23 forfeiture or other final adverse finding (including in a civil suit or administrative proceeding)
24 in operating a TNC, business or vehicle that would lead the Director to reasonably conclude
25 that the applicant will not fulfill the TNC responsibilities and requirements set forth in this
26 chapter.



1 3. Has failed to meet one or more operating responsibilities as detailed in
2 Section 6.310.270.

3 Section 11. A new Section 6.310.270 to Seattle Municipal Code is adopted, as follows:

4 **6.310.270 Transportation network company (TNC) operating responsibilities**

5 In addition to meeting the license application requirements set forth in Section
6 6.310.260, the TNC must:

7 A. Maintain a business office in The City of Seattle that:

8 1. Is open and personally staffed all business days between 9 a.m. and 5 p.m.

9 (Class A);

10 2. Has a toll-free business telephone number and toll-free passenger complaint
11 hotline that is answered during all hours that TNC drivers are operating. (Class A);

12 3. Has a mailing address and email address where the TNC representative will
13 accept mail. (Class A);

14 4. Stores all records that this chapter requires the TNC to maintain including,
15 but not limited to, copies of for-hire drivers licenses and TNC vehicle endorsements (if
16 applicable) of TNC drivers, lists of all TNC drivers and their affiliated vehicles, vehicle repair
17 and service records, passenger comment records, new driver training records, vehicle insurance
18 policies, vehicle registrations, and passenger complaint records. Records may be maintained
19 electronically. (Class A — each requirement);

20 5. Provides secure storage for all items left in a TNC driver's vehicle by patrons
21 and turned in by TNC drivers. (Class A);

22 B. Ensure that each TNC driver's vehicle is insured as required in Sections 6.310.260
23 and 6.310.452. (revocation and Class C);

24 C. Ensure that each affiliated vehicle maintains the TNC's dress trade, if any, at all
25 times while active on the TNC dispatch system. (Class B);



1 D. Ensure that TNC drivers do not accept payment of fare or tips. Payment shall only
2 be made electronically via the TNC application dispatch system. (Class B);

3 E. Ensure that TNC endorsed drivers driving a TNC endorsed vehicle do not pick up
4 hails, cruise or otherwise solicit trips. (revocation and Class C);

5 F. Ensure that TNC drivers driving a TNC endorsed vehicle do not take trips not
6 dispatched by the TNC. (revocation and Class C);

7 G. Require that passengers be able to view a picture of the driver and vehicle license
8 plate number on their smart phone before the trip is initiated. (Class B);

9 H. May maintain a rating platform for TNC drivers and passengers to rate each other
10 following a trip. TNCs shall ensure that such ratings are not based on unlawful discrimination,
11 and that drivers do not discriminate against passengers or potential passengers on the basis of
12 geographic endpoints of the ride, race, color, national origin, sex, disability, age, or sexual
13 orientation/identity. (Class B);

14 I. One year from the effective date of this ordinance, the TNC shall submit to the
15 Director a report detailing all rides that were requested but not accepted by TNC drivers. The
16 report shall include the location and zip code of each rejected ride. (Class A);

17 J. Maintain insurance as required by Section 6.310.260, (Class C and revocation) and
18 maintain on file at the TNC's place of business proof of insurance required by Sections
19 6.310.260 and 6.310.452. (Class A);

20 K. Send, by first class mail and email, to a TNC driver any correspondence from the
21 Director within five business days after the TNC receives such correspondence and keeps a
22 written record of the mailings (Class A);

23 L. All violation notices issued by the Director to a TNC driver shall be mailed and
24 emailed to both the driver and TNC, and the TNC shall maintain a record of the violations for
25 at least two years (Class B);



1 M. Weekly, collect, verify accuracy and completeness, and store for at least two years
2 TNC application dispatch records, including the hours each TNC driver is active on the TNC
3 dispatch system, as prescribed by the Director (Class A);

4 N. Collect and provide service information, vehicle collision reports, service response
5 time reports, reports of crimes against TNC drivers, and passenger complaints, pursuant to
6 rules adopted by the Director as follows:

7 1. Service Information Reports. Submit quarterly, in a form approved by the
8 Director, the monthly total of paid trips and daily operating hours for each TNC driver and
9 vehicle (Class A);

10 2. Vehicle Collision Reports. Submit monthly, on forms approved by the
11 Director, a list of vehicle collisions required to be reported to the Washington State Patrol
12 pursuant to RCW 46.52.030(1) and WAC 446.85-010 including the name of the TNC driver,
13 identification of the vehicle, collision fault, injuries, and estimated damage (Class A);

14 3. Service Response Time Reports. Submit quarterly, on forms approved by the
15 Director, average response times for service requests in the operating areas served by TNC
16 drivers (Class A);

17 4. Crimes Against Affiliated Drivers Reports. Submit quarterly, on forms
18 approved by the Director, a list of all crimes of assault or robbery against TNC drivers that
19 were reported to the Seattle Police Department, including the name of the TNC driver and
20 identification of the vehicle, incident number, description of the crime, and injuries (Class A),
21 and

22 5. Passenger complaints. Submit quarterly, in a form approved by the Director,
23 a report which contains information on complaints received directly from passengers and from
24 the passenger complaint hotline as compiled from the log required pursuant to subsection
25 6.310.270.0 regarding:



1 a. Driver conduct sorted by driving behavior, communication, personal
2 dress or hygiene;

3 b. Vehicle condition sorted by appearance, mechanical and/or safety;
4 and

5 c. Lack of driver knowledge of route or requested destination (Class A).

6 O. Maintain a log of, and forward to the Director upon request, each oral or written
7 passenger complaint that the TNC receives about a vehicle, the TNC, or TNC driver. The
8 TNC must include a notice of the action taken by the TNC to resolve the complaint and the
9 disposition (Class A);

10 P. Notify the Director within two working days of the TNC having knowledge of the
11 following:

12 1. A conviction, bail forfeiture or other adverse finding received by a TNC
13 driver for any criminal offense or traffic violation that occurs during or arises out of the
14 driver's operation of the vehicle while active on any TNC dispatch (Class A for traffic
15 violation, Class B for any criminal offense),

16 2. A conviction, bail forfeiture or other adverse finding received by a TNC
17 driver for any other criminal offense directly bearing on the driver's fitness to operate a vehicle
18 or the affiliated driver's fitness to be licensed, including but not limited to theft, fraud, robbery,
19 burglary, assault, sex crimes, alcohol, drugs, or prostitution (Class B),

20 3. A vehicle accident required to be reported to the State of Washington involving
21 any TNC driver (Class B),

22 4. Any restriction, suspension or revocation of a State of Washington driver's
23 license issued to a TNC driver (Class B), and/or

24 5. Any matter listed in subsections 6.310.265.B.9 or 6.310.265.C (Class B);

25 Q. Notify the Director within five working days of any change in the affiliation status of
26 a TNC driver or vehicle, including any TNC driver joining the TNC, and any suspension,
27
28



1 termination, nonrenewal or revocation of a TNC driver's for-hire license or TNC vehicle
2 endorsement. (Class A);

3 R. Comply with all regulations promulgated pursuant to this chapter (see applicable rules
4 for penalties or actions);

5 S. Permit the Director to carry out inspections without notice of all TNC driver and
6 vehicle records required to be kept under this Chapter 6.310, (Class B);

7 T. Employ a zero tolerance drug and alcohol policy with respect to TNC drivers as
8 follows:
9

10 1. The TNC shall include a notice on its website, mobile application, and
11 passenger trip confirmations of its zero-tolerance policy and the methods to report a driver the
12 passenger reasonably suspects was under the influence of drugs or alcohol during the trip;

13 2. The website and mobile application must include a phone number, website
14 link, and email to report a zero-tolerance complaint, as well as the phone number and email to
15 report a zero-tolerance complaint to the Seattle Consumer Affairs department, (Class B);

16 U. Allow passengers to indicate whether they require a wheelchair-accessible vehicle or
17 a vehicle otherwise accessible to individuals with disabilities. On January 1, 2015 and biannually
18 on June 1 and January 1 thereafter, each TNC shall submit to the Director a report detailing the
19 number and percentage of their customers who requested accessible vehicles, and how often the
20 TNC was able to comply with requests for accessible vehicles, and a description of any instances
21 or complaints of unfair treatment or discrimination of persons with disabilities. This report shall
22 be made public by the Director. This report shall be used by the Director to determine what, if
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1 any, regulations need to be amended or adopted to ensure that TNCs are accessible to, and do not
2 discriminate against persons with disabilities, (Class B),

3 V. Review criminal background checks on every TNC driver and maintain records
4 thereof. Drivers convicted of any traffic and/or criminal offense directly bearing on the driver's
5 fitness including but not limited to theft, fraud, robbery, burglary, assault, sex crimes, alcohol,
6 drugs, or prostitution shall not be permitted to provide TNC services. (Class B)
7

8 W. Review driving records of TNC drivers and maintain records thereof. Drivers with
9 convictions for any alcohol or drug related offense, reckless driving, hit and run, or driving with
10 a suspended or revoked license shall not be permitted to provide TNC services. (Class B)
11

12 X. Prior to providing TNC services and annually thereafter, require every affiliated
13 vehicle to undergo a 19-point inspection by a third party vendor approved by the Director that
14 certifies in writing that the following items are mechanically sound and fit for driving:
15 (revocation and Class C)

- 16 1. Foot brakes (check stopping: at 20 mph, a vehicle must be capable of
17 stopping within 25 feet);
- 18 2. Emergency brakes (engine stall test);
- 19 3. Steering mechanism;
- 20 4. Windshield (no chips or cracks larger than one inch);
- 21 5. Rear window and other glass (no chips or cracks larger than one inch);
- 22 6. Windshield wipers;
- 23 7. Headlights;
- 24 8. Tail lights;
- 25 9. Turn indicator lights;
- 26 10. Stop lights;
- 27



- 1 11. Front seat adjustment mechanism;
- 2 12. Doors (open, close, lock);
- 3 13. Horn;
- 4 14. Speedometer;
- 5 15. Bumpers;
- 6 16. Muffler and exhaust system;
- 7 17. Condition of tires, including tread depth;
- 8 18. Interior and exterior rear view mirrors; and
- 9 19. Safety belts and air bags for driver and passenger(s).

10 Affiliated vehicles shall not be rebuilt or significantly modified from factory
11 specifications. Transportation network companies shall maintain vehicle inspection records.

12 Y. Pay all penalties imposed by the Department that are either not contested or are
13 upheld after review (revocation of license);

14 Z. Determine whether a TNC driver, who has been the victim of a crime of assault or
15 robbery, has reported the crime to 911. If not, the TNC shall call 911 and report the crime
16 immediately (Class B).

17 AA. Maintain a TNC license to operate in The City of Seattle as issued under this
18 chapter (revocation and Class C).

19 BB. TNCs shall provide a written insurance disclosure to TNC drivers. The written
20 insurance disclosure must include the following: the TNC driver's personal auto insurance policy
21 may not provide any insurance coverage when one is driving for a commercial purpose;
22 therefore, the TNC driver may need to consider buying a commercial auto policy. In the event of
23 an accident the insurance provided by the transportation network company may not provide any,
24 or sufficient, insurance coverage for all matters, including but not limited to the TNC driver's
25



1 bodily injuries, TNC driver's vehicle damage, and the TNC driver's legal defense costs. The
2 written insurance disclosure must be signed by the TNC driver.

3 Section 12. A new Section 6.310.275 to Seattle Municipal Code is adopted, as follows:
4 **6.310.275 Transportation network company (TNC) transfers in the interest of a**
5 **transportation network company**

6 A TNC license is not transferable. However, an interest in a business entity holding a
7 TNC license may be transferred, but only after the new owner or principal has submitted an
8 application, met the standards and requirements contained in Sections 6.310.260 and 6.310.265
9 and secured written approval of the Director.

10
11 Section 13. A new Section 6.310.325 is added to the Seattle Municipal Code as follows:
12 **6.310.325 Vehicles affiliated with a transportation network company (TNC) vehicle**
13 **operating requirements**

14 No vehicle affiliated with a TNC shall operate within The City of Seattle to transport
15 passengers for compensation unless the following minimum vehicle requirements are met:

16
17 A. The vehicle is a taxicab or for-hire vehicle licensed under this chapter, or the
18 vehicle has a TNC vehicle endorsement.

19 B. Affiliated with a licensed transportation network company;

20 C. Affiliated with a driver with a for-hire driver's license;

21 D. The vehicle has insurance coverage as required by section 6.310.260;

22 E. Passed the 19-point vehicle inspection as required by subsection 6.310.270.X;

23
24 except for for-hire vehicles and taxicabs licensed under this chapter; and

25 F. The vehicle model year can be no more than seven years prior to the license date.
26
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Section 14. A new Section 6.310.327 is added to the Seattle Municipal Code as follows:

6.310.327 Transportation network company (TNC) vehicle endorsement lottery application, award, and standards for denial

A. Within 45 days of the passage date of this ordinance, any person who wishes to affiliate and operate for a TNC using a personal vehicle shall submit an application for a TNC vehicle endorsement, which shall be issued by lottery only, and shall obtain a TNC vehicle endorsement within 90 days of submitting the application; provided that a person with a for-hire driver's license who has a 50% or more ownership interest in a for-hire vehicle or taxicab licensed under this chapter is not eligible to obtain a TNC vehicle endorsement. Failure to obtain a TNC vehicle endorsement within this timeframe, for any reason other than delay caused by the City, prohibits any person from lawfully operating as a driver for a TNC with a personal vehicle. Driving without a TNC vehicle endorsement is unlawful per Section 6.310.130, subject to penalties pursuant to Section 6.310.600.

B. Three hundred TNC vehicle endorsements shall be issued pursuant to a lottery of qualified applicants as prescribed by rule adopted by the Director. The rule shall include minimum qualifications for applicants, including but not limited to the driving and conduct records of prospective applicants, and vehicle requirements. Individuals who submit more than one lottery application shall be disqualified.

C. The TNC vehicle endorsement is not valid and effective until and unless the driver obtains a for-hire driver's license under this chapter. The for-hire driver's application process is governed by Section 6.310.400.

D. To be eligible to enter the TNC vehicle endorsement lottery the following is required:



1 1. The registered owner is the only driver that may operate the vehicle to provide
2 transportation to passengers via the TNC application dispatch system;

3 2. The applicant does not have a 50% or more ownership interest in a for-hire
4 vehicle or taxicab licensed under this chapter; (Lottery disqualification) and

5 3. The vehicle is personal and not a for-hire vehicle or taxicab licensed under this
6 chapter. (Lottery disqualification)

7
8 E. To apply for the TNC vehicle endorsement lottery, the applicant shall complete, sign,
9 swear to and file with the Director a TNC vehicle endorsement lottery application on forms
10 provided by the Director to include the following information:

11 1. Name, aliases, residence and business address, residence and business
12 telephone numbers;

13 2. Place and date of birth which shall be at least twenty-one (21) years prior to the
14 date of application, height, weight, color of hair and eyes;

15 3. Washington State driver's license number. Providing the social security number
16 is optional. The applicant must present his/her Washington State driver's license at time of
17 application;

18 4. Proof that the applicant is authorized to work in the United States; and

19 5. Such other information as may be reasonably required by regulation promulgated
20 under this chapter.

21 F. Within 60 days following selection as a lottery winner, the following requirements
22 must be met in order to be awarded the TNC vehicle endorsement:



1 1. Evidence of personal and commercial vehicle insurance as required by Section
2 6.310.452; (denial of endorsement)

3 2. Evidence of for-hire driver's license; (denial of endorsement)

4 3. Proof that applicant's vehicle has passed the vehicle inspection as required by
5 subsection 6.310.270.X (denial of endorsement); and

6 4. Proof that applicant's vehicle model year is no more than seven years prior to
7 the license date (denial of endorsement)

8
9 Failure to meet any of these requirements within this timeframe, for any reason other than
10 delay caused by the City, shall result in the denial of the issuance of the TNC vehicle
11 endorsement. The TNC vehicle endorsement shall be returned to the lottery pool for award to
12 the next eligible applicant on the waiting list. All denials or revocations of TNC vehicle
13 endorsement applications must be set forth in writing, together with the reasons for denial or
14 revocation. The written denial shall be delivered either personally or by first class mail to the
15 address provided by the applicant on the license renewal application.
16

17 G. The TNC vehicle endorsement consists of a certificate that shall include the following
18 information:

19 1. Vehicle identification number (VIN);

20 2. Registered owner's full legal name;

21 3. License plate number;

22 4. Expiration date; and

23 5. Unique certificate number that will correspond with the TNC vehicle
24 endorsement sticker affixed to the for-hire driver's license.
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1 H. The TNC vehicle endorsement is inseparable from the for-hire driver's license and
2 the lease, transfer or assignment of the vehicle endorsement is prohibited.

3 Section 15. A new Section 6.310.328 is added to the Seattle Municipal Code as follows:

4 6.310.329 Transportation network company (TNC) vehicle endorsement standards for denial

5 A. Following the TNC vehicle endorsement lottery, the Director shall deny any TNC
6 vehicle endorsement application if the Director determines that:

7
8 1. The applicant has failed to submit a complete, satisfactory application pursuant
9 to SMC Section 6.310.327;

10 2. The applicant has failed to affiliate with a licensed TNC;

11 3. The applicant has made any material misstatement or omission in the
12 application for an endorsement;

13 4. The applicant fails to meet one or more of the applicant or vehicle
14 requirements pursuant to Sections 6.310.325 and 6.310.327; and/or

15 5. Within three years of the date of application, the applicant has had a
16 conviction, bail forfeiture or other final adverse finding of criminal fraud, larceny, theft,
17 prostitution, extortion, racketeering, robbery, or violation of the Uniform Controlled Substances
18 Act where such crime involved the use of the endorsed vehicle.
19

20
21 B. The Director may deny any TNC vehicle endorsement application if the Director
22 determines that:

23 1. Within five years of the date of application, the applicant has had a conviction,
24 bail forfeiture, or other final adverse finding involving crimes reasonably related to the
25 applicant's ability to operate a for-hire business, including but not limited to prostitution,
26

1 gambling, fraud, larceny, extortion, income tax evasion;

2 2. Within two years of the date of application, the applicant has been found,
3 either through a criminal conviction, bail forfeiture or other final adverse finding (including in a
4 civil suit or administrative proceeding) to have exhibited past conduct in driving or operating a
5 for-hire vehicle for-hire business which would lead the Director to reasonably conclude that the
6 applicant will not comply with the provisions of the chapter related to vehicle requirements and
7 the safe operation of the vehicle;

8
9 3. Within two years of the date of application, the applicant has engaged in the
10 business of operating any taxicab or for-hire vehicle within The City of Seattle without a current
11 valid license from The City of Seattle;

12 4. Within twelve months of the date of application, the applicant has violated
13 King County or Port of Seattle ordinance or regulation pertaining to the operation of taxicabs
14 while in those jurisdictions, if such violation would constitute grounds for license revocation or
15 denial if occurring within the City; and/or

16
17 5. Within twelve months of the date of application, the applicant has had its City
18 of Seattle for-hire vehicle license revoked.

19 Section 16. A new Section 6.310.329 is added to the Seattle Municipal Code as follows:

20 6.310.329 TNC vehicle endorsement expiration and renewal

21
22 A. All TNC vehicle endorsement shall be effective for no more than one year and shall
23 expire the same day as the for-hire driver's license it endorses.

24
25 B. TNC driver must renew the TNC vehicle endorsement every year. No TNC vehicle
26 endorsement may be renewed unless all outstanding penalties assessed against the for-hire driver



1 of the endorsed vehicle are paid in full to the Director.

2 C. The Director shall grant all timely submitted and completed renewal applications of
3 qualified TNC drivers; provided, however, that the Director shall deny any renewal application if
4 grounds exist for the Director to deny an endorsement pursuant to Section 6.310.327 or Section
5 6.310.329 A. If no such grounds exist, the Director shall examine all Department records on the
6 endorsed vehicle and may deny the renewal if grounds exist that would justify denial under
7 Section 6.310.329 B.
8

9 Section 17. Subsection 6.310.330.K of the Seattle Municipal Code, last amended by
10 Ordinance 124256, is amended as follows:

11 **6.310.330 Taxicab licensee and for-hire vehicle licensee responsibilities((-))**

12 ***

13
14 K. A wheelchair accessible taxicab licensee must personally drive the vehicle a minimum
15 of thirty hours per week for at least forty weeks per year for a period of five years following the
16 date of issuance of a new wheelchair taxicab license (wheelchair taxicab license revocation). If a
17 licensee fails to fulfill the minimum use requirement in any one year period within the five year
18 period following the date of issuance, the license shall be subject to revocation. Wheelchair
19 taxicab licensees shall submit original trip sheets to the Director on a monthly basis, in a manner
20 prescribed by Director's rule, to prove compliance with the minimum use requirement. For
21 purposes of this paragraph, "licensee" or "licensees" refers to individual licensees, single sole-
22 shareholders of a licensed corporation, or single members of a licensed limited liability
23 company. (Class A, if trip sheets are submitted late; wheelchair taxicab license revocation, if trip
24 sheets are falsified or not in compliance).
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3 Section 18. Section 6.310.415 of the Seattle Municipal Code, last amended by Ordinance
4 121738, is amended as follows:

5 **SMC 6.310.415**

6 **For-hire driver training program.**

7
8 A. All initial for-hire driver applicants, within 120 days of submitting an application,
9 must have successfully completed (~~(, prior to taking the written examination, no earlier than six~~
10 ~~(((6))) months before submitting the application,))~~ a training program approved by the Director
11 that provides information about (~~(the history and geography of the Seattle and Puget Sound~~
12 ~~area,))~~ defensive driving, use of emergency procedures and equipment for the driver's personal
13 safety, risk factors for crimes against for-hire drivers, enhancement of driver/passenger relations,
14 and appearance and communication skills. The oral examination may be taken prior to the
15 training class to expedite the licensing process (denial of license).
16

17 B. Currently-licensed for-hire drivers must meet the requirements of subsection A of this
18 section if:

19
20 1. A taxicab association or transportation network company with which the for-
21 hire driver is affiliated requests that the for-hire driver receive a refresher course; or

22 2. The Director has reasonable grounds, based on documented complaints and/or
23 violations, to believe that a refresher course is necessary (suspension).
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1 ~~((C. A for-hire driver must complete a separate training session and written test on for-~~
2 ~~hire driver personal safety within three (3) months from the date of issuance of the initial license.~~
3 ~~The Director shall set forth the requirements of the training program by rule (suspension).))~~

4 ~~((D))~~C. A for-hire driver who operates a wheelchair accessible taxicab must successfully
5 complete a separate training program for the special needs of passengers in wheelchairs,
6 including but not limited to, loading and tie-down procedures and door-to-door service as
7 prescribed in rule by the Director (Class C).
8

9 Section 19. Section 6.310.420 of the Seattle Municipal Code, last amended by Ordinance
10 121738, is amended as follows:

11 **6.310.420 For-hire driver written and oral examination.**

12 A. The Director shall prescribe the content of the examination, which must test the
13 applicant's:
14

15 1. Knowledge of taxicab, for-hire vehicle, transportation network company
16 vehicle endorsement and for-hire driver requirements contained in applicable codes and
17 regulations;

18 2. Ability to speak and understand oral and written English sufficient for fulfilling
19 the minimum acceptable standards for a taxicab, for-hire vehicle and/or for-hire driver;

20 3. Knowledge of vehicle safety requirements;

21 4. Knowledge of the geography of Seattle, King County and surrounding areas,
22 and knowledge of local public and tourist destinations and attractions; and
23

24 5. Knowledge of risk factors for crimes against for-hire drivers, emergency
25 procedures, and taxicab equipment for driver's personal safety.
26



1 B. After submitting an application for an initial for-hire license, the applicant must pass a
2 written and oral examination administered by The City of Seattle and/or jointly with King
3 County.

4 C. An applicant who fails the written and/or oral examination(~~(, including the initial and periodic~~
5 ~~for hire driver written safety test,)) is entitled to one ((1)) free opportunity to retake the
6 examination. A second failure will result in a sixty-day wait for another opportunity to take the
7 examination, and another license application fee. All later examination tries will require the
8 sixty-day wait, and repayment of the ((license)) application fee.~~

9 D. The written and oral examination is not required for the renewal of a for-hire driver's license
10 unless the applicant's license has remained expired for more than one ((1)) year. If the license
11 has remained expired for more than one ((1)) year, and the applicant can provide
12 documentation that he/she had previously passed the oral examination, only the written
13 examination will be required.

14 Section 20. A new Section 6.310.452 is added to the Seattle Municipal Code as follows:

15 **6.310.452 TNC driver operating, conduct, and passenger relations standards**

16 A. Drivers operating for a transportation network company shall not transport passengers
17 for compensation without: 1) first obtaining and maintaining a valid for hire driver's license;
18 (first violation, civil penalty; subsequent violation, misdemeanor; both Class C) and 2) using a
19 vehicle that is a for-hire vehicle or taxicab licensed under this chapter, or a vehicle with a TNC
20 vehicle endorsement. (Class C)

21 B. TNC drivers shall not be in control of a for-hire vehicle for more than 12 hours spread
22 over a total of 15 hours in any 24-hour period. Thereafter, such TNC driver shall not drive any
23



1 for-hire vehicle until ten consecutive hours have elapsed. For the purposes of this subsection,
2 hours driven in for-hire vehicles in other platforms (taxicabs, for-hire vehicles) are aggregated.
3 (suspension and Class B);

4 C. TNC drivers, while active on the TNC dispatch, shall not operate a vehicle that is
5 unaffiliated with a TNC to transport passengers. (Class C and revocation)

6 D. TNC drivers shall have evidence of personal and commercial vehicle insurance in
7 their possession at all times when active on the TNC application dispatch system. (Class B)

8 E. TNC drivers shall maintain a personal auto insurance policy provided, that if the
9 insurance policy lapses or is canceled, or a vehicle is deleted from the policy, proof of a new
10 policy including the vehicle must be filed with the Director before the vehicle is canceled or
11 deleted from the previous policy (summary suspension);

12 F. No TNC driver whose for-hire driver's license has been revoked by the Director shall
13 apply for a new for-hire driver's license for one year from the effective date of such revocation
14 (denial of license).

15 G. TNC drivers shall not use a mobile phone unless in hands-free mode, consistent with
16 RCW 46.61.667.

17 H. TNC drivers shall not transport more passengers than the number of seat belts
18 available nor more luggage than the vehicle capacity will safely and legally allow (Class B).

19 I. TNC drivers shall not accept dispatch of trips unless the interior and the exterior of the
20 vehicle are clean and in good repair (Class A).

21 J. TNC drivers shall not smoke in the for-hire vehicle while providing
22 transportation to passengers (Class A);



1 K. TNC drivers shall allow the Director to inspect the affiliated vehicle without notice at
2 any reasonable time or place (Class B).

3 L. TNC drivers shall pay all penalties imposed by the Department that are either not
4 contested or are ultimately upheld (revocation or nonrenewal).

5 M. TNC drivers shall immediately notify the transportation network company and the
6 Seattle Police Department when the TNC driver has been the victim of a crime (Class B).

7 N. TNC drivers shall not accept payment of fare or tips. Payment shall only be made
8 electronically via the TNC application dispatch system. (Class B).

9 O. TNC endorsed drivers driving with a TNC endorsed vehicle shall not pick up, cruise
10 or otherwise solicit trips (Class C and revocation)

11 P. TNC drivers driving with a TNC endorsed vehicle shall be the registered owner of the
12 affiliated vehicle used to transport passengers (Class A).

13 Q. TNC drivers shall not use a third party to solicit trips (Class C and revocation).

14 R. TNC drivers shall not drink any alcoholic beverage while on duty or less than eight
15 hours prior to going on duty, and shall not possess an open or unsealed container of any alcoholic
16 beverage while in the for-hire vehicle (suspension and Class B);

17 S. TNC drivers shall, at the end of each trip, check the vehicle for any article(s) that are
18 left behind by passenger(s). Such articles are to be reported as found property, and such property
19 is to be returned to a transportation network company representative as soon as is practicable
20 (Class A);

21 T. TNC drivers shall have in the driver's possession a valid Washington State driver's
22 license, a valid for-hire driver's license, and documentation that they are affiliated with a
23



1 licensed TNC at any time the TNC driver is active on the TNC dispatch system.(suspension and
2 Class B);

3 U. TNC drivers shall comply with any written notice of violation issued by the Director
4 (suspension and Class B);

5 V. TNC drivers shall operate his or her vehicle with due regard for the safety, comfort
6 and convenience of passengers (Class B for safety violations; Class A for nonsafety violations);

7 W. TNC drivers shall not solicit for prostitution nor allow his or her vehicle to be used
8 for such unlawful purpose (revocation and Class C);

9 X. TNC drivers shall not knowingly permit his or her vehicle to be used for the illegal
10 solicitation, transportation, or sale, or any other activity related to illegal drugs (revocation and
11 Class C);

12 Y. TNC drivers shall, upon request by the Director or a police officer, provide the for-
13 hire driver's license and Washington State driver's license for inspection (suspension and Class
14 B);

15 Z. TNC drivers shall use the most direct available route on all trips unless the passenger
16 specifically requests to change the route (Class B).

17 AA. TNC drivers shall not refuse to transport any person (Class A) except when:

- 18 1. The TNC driver has already been dispatched on another call; or
19 2. The TNC driver arrives at the place of pick-up and upon arrival the passenger is
20 acting in a disorderly or threatening manner, or otherwise is acting in a manner that would cause
21 a reasonable person to believe that the TNC driver's health or safety, or that of others, may be
22 endangered;
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1 BB. TNC drivers shall not refuse to transport any passenger's wheelchair which can be
2 folded and placed in either the passenger, driver, or trunk compartment of the vehicle; an assist
3 dog or guide dog to assist the disabled or handicapped; or groceries, packages or luggage when
4 accompanied by a passenger (Class B).

5 CC. A TNC driver shall not operate a wheelchair accessible for-hire vehicle unless the
6 for-hire driver has successfully completed the special training requirements set forth in
7 subsection 6.310.415.D (Class C and revocation).
8

9 Section 21. Section 6.310.465 of the Seattle Municipal Code, which Section was last
10 amended by Ordinance 122763, is amended as follows:

11 **6.310.465 For-hire driver(~~(—)~~)Passenger relations standards(~~(-)~~)**

12 ~~((A. A taxicab driver shall wear only the uniform adopted by the association and approved by~~
13 ~~the Director or a costume meeting all requirements of SMC 6.310.225 and SMC 6.310.480.~~
14 ~~(Class A).))~~

16 ~~((B.))~~ A. When wearing a costume a driver shall display a photograph of the driver dressed in
17 the costume along with the driver's for-hire license. (Class A).

18 ~~((C. A for hire driver's clothes shall be neat and clean at all times that the driver is on the~~
19 ~~driver's shift. The term "neat and clean" as it relates to clothes shall mean that all clothing is~~
20 ~~clean, free from soil, grease and dirt and without unrepaired rips or tears. Drivers shall not wear~~
21 ~~as an outer garment any of the following: undershirt or underwear, tank tops, body shirts (see-~~
22 ~~through mesh, swimwear, jogging or warm-up suits or sweatshirts or similar attire, shorts or~~
23 ~~trunks (jogging or bathing, sandals, or any similar clothing. Summer uniforms can include~~
24



1 ~~Bermuda shorts (hemmed slack material) that extend down to within two 2 inches of the top of~~
2 ~~the knee cap. (Class A.)~~

3 ~~((D. A for hire driver shall be clean and well groomed at all times while on duty. "Clean" means~~
4 ~~that state of personal hygiene, body and hair cleanliness and absence of offensive body odor~~
5 ~~normally associated with frequent clothes laundering and bathing or showering. "Well groomed"~~
6 ~~means beards and mustaches are groomed and neatly trimmed, and scalp and facial hair is neatly~~
7 ~~trimmed, and combed or brushed (Class A.)~~

8
9 ~~((E))~~ B. A for- hire driver shall provide customers with professional and courteous service at all
10 times (Class A).

11 ~~((F))~~ C. A for-hire driver shall not refuse a request for service because of the driver's position
12 in line at a taxicab zone; a passenger may select any taxicab in line (Class B).

13 ~~((G))~~ D. A for-hire driver shall at all times assist a passenger by placing luggage or packages
14 (under fifty (50) pounds) in and out of the taxicab or for-hire vehicle (Class A).

15 ~~((H))~~ E. A for-hire driver shall not refuse to transport in the taxicab or for-hire vehicle any
16 passenger's wheelchair which can be folded and placed in either the passenger, driver, or trunk
17 compartment of the taxicab or for-hire vehicle, an assist dog or guide dog to assist the disabled or
18 handicapped, groceries, packages or luggage when accompanied by a passenger (Class B).

19
20 ~~((I))~~ F. A for-hire driver shall provide each passenger a taximeter receipt upon payment of the
21 fare (Class A).

22
23 ~~((J))~~ G. A for-hire driver shall use the most direct available route on all trips unless the
24 passenger specifically requests to change the route (Class B).



1 ((K)) H. A for-hire driver shall not permit any person or pet to ride in the taxicab or for-hire
2 vehicle unless that person or pet accompanies, or is in the vehicle at the request of, a fare- paying
3 individual. This requirement shall not apply to ((uniformed)) driver trainees (Class A).

4 ((L)) I. A for-hire driver shall not refuse to transport any person except when:

- 5 1. The for-hire driver has already been dispatched on another call;
6 2. The for-hire driver arrives at the place of pick-up and upon arrival the passenger is acting in a
7 disorderly or threatening manner, or otherwise is acting in a manner that would cause a
8 reasonable person to believe that the for-hire driver's health or safety, or that of others, may be
9 endangered;
10 3. The passenger cannot, upon request, show ability to pay the fare; or
11 4. The passenger refuses to state a specific destination upon entering the taxicab (Class B).

12 ((M)) J. A for-hire driver shall not smoke in the taxicab or for-hire vehicle (Class A).

13 ((N)) K. A for-hire driver shall be able to provide a reasonable amount of change, and if correct
14 change is not available, no additional charge will be made to the passenger in attempting to
15 secure the change (Class A).

16 ((O)) L. A for-hire driver shall not make any discriminatory charges to any person, or make
17 any rebate or in any manner reduce the charge to any person unless such is in conformity with
18 the discounts or surcharges contained in the filed rates (Class B).

19 ((P)) M. A for-hire driver shall not operate a wheelchair accessible taxicab unless the for-hire
20 driver has successfully completed the special training requirements set forth in ((SMC))
21 subsection 6.310.415 D((E)) (Class C and five-day suspension).



1 N. A for-hire driver must be clean and neat in dress and person and present a professional
2 appearance to the public.

3 Section 22. Section 6.310.470 of the Seattle Municipal Code, which Section was last
4 amended by Ordinance 122763, is amended as follows:

5 **6.310.470 For-hire driver soliciting and cruising standards((-))**

6 A. Taxicabs.

7
8 1. A for-hire driver may solicit passengers only from the driver's seat or
9 standing immediately adjacent to the taxicab (within ~~((twelve ()))~~12~~(()))~~ feet), and only when the
10 vehicle is safely and legally parked (Class A).

11
12 2. A for-hire driver shall not use any other person to solicit passengers (Class
13 A).

14 3. A for-hire driver shall not hold out the taxicab for designated destinations
15 (Class A).

16
17 4. A for-hire driver shall not park a taxicab and wait for walk up passengers
18 in a marked passenger load zone, truck load zone, or charter bus zone. A for-hire driver may
19 drop off passengers or pick up hailed trips in a passenger load zone except as provided by
20 ~~((SMC))~~ subsections 6.310.475.D and 6.310.475.E (Class A).

21
22 B. For-hire Vehicles.

23 ~~((1. A for hire driver in a for hire vehicle is prohibited from soliciting~~
24 ~~passengers, from cruising for passengers, or from picking up passengers in a taxi zone (Class~~
25 ~~B).))~~



1 1. A for-hire driver in a for hire vehicle licensed under this chapter may
2 solicit passengers only from the driver's seat or standing immediately adjacent to vehicle (within
3 12 feet), and only when the vehicle is safely and legally parked (Class A).

4 2. A for-hire driver shall not use any other person to solicit passengers (Class
5 A).

6 ~~((3. All trips must be pre-arranged as defined by the Director by rule (Class~~
7 ~~B)))~~

8 3. A for-hire driver in a for hire vehicle licensed by this chapter is prohibited
9 from picking up passengers in a designated taxi zone (Class B).

10 Section 23. Section 6.310.500 of the Seattle Municipal Code, which Section was last
11 amended by Ordinance 122763, is amended as follows:

12 **6.310.500 Taxicabs(~~(—)~~)Maximum number(~~(-)~~)**

13 A. The total number of taxicab licenses in effect at any one ~~((4))~~ time shall not exceed
14 ~~((eight hundred and fifty (850)))~~ 1,100. The number of taxicab licenses shall be set by the
15 Director at such times and in such manner as necessary to meet the demand for efficient and
16 economical taxicab service within the city limits and to support a competitive, safe, fair and
17 viable business environment for the taxicab industry; however, no more than ~~((35))~~ 75 licenses
18 can be issued within a calendar year. The Director shall adopt by rule the procedure for
19 determining when and how many new taxicab licenses will be issued. In determining the total
20 number of licenses issued, the Director shall consider factors ~~((such as))~~ including, but not
21 limited to consumer demand for transportation services, average service response times, total
22 number of taxi rides, total paid trips per taxicab, and average operating hours per taxicab, and
23 may consider any other factors that may affect the supply and demand for taxi service within the
24 city limits. The Director shall adopt by rule any vehicle and safety standards required for the



1 issuance of new licenses, including but not limited to vehicle size, fuel efficiency, and emissions
2 standards.

3 B. The number of for-hire vehicle licenses in effect at any one (~~(1)~~) time shall not
4 exceed (~~(two hundred)~~) (~~(200)~~). Except that if the State Legislature authorizes cities to
5 regulate executive sedans and executive vans, as defined in RCW 46.04.274, then executive
6 sedans and executive vans licensed by the Department of Licensing on the authorization date
7 which meet City vehicle standards would be allowed to obtain for-hire vehicle licenses, and such
8 for-hire vehicle licenses shall not be included in the calculation of total number of for-hire
9 vehicle licenses pursuant to this subsection. TNC vehicle endorsements issued per Section
10 6.310.327 shall not be included in the calculation of total number of for-hire vehicles licenses
11 pursuant to this subsection.

12 C. The Director may, at the Director's discretion, issue wheelchair accessible taxicab
13 licenses to special service vehicles used to provide transportation to disabled persons defined in
14 KCC 6.64.010 or to handicapped persons as defined in (~~(SMC)~~) Section 6.310.110. These
15 licenses shall be non-transferable for a period of five (~~(5)~~) years from the date of issuance and
16 shall not be included in calculating the maximum number of taxicab licenses allowable pursuant
17 to subsection A. The Director may issue temporary and nontransferable wheelchair accessible
18 taxicab licenses to individual for-hire drivers selected by King County for a demonstration
19 project to determine the economic feasibility of the long term issuance of such licenses.

20 D. If the Director determines that issuance of additional taxicab licenses is warranted, not
21 to exceed the maximum allowable taxicab licenses issued pursuant to subsection A of this
22 section, such licenses shall be issued pursuant to:

23 1. A competitive request for proposal and award process under which licenses
24 will be issued to applicants whose proposals demonstrate that they are most able to meet the
25 needs of the public in providing taxicab service by meeting qualifications prepared by the
26 Director that are not in conflict with the general provisions of this chapter; or
27



1 1. Every for-hire vehicle licensee shall file all rates and charges with the Director.

2 All rates and charges, including any adopted senior citizen discount rate, shall be conspicuously
3 displayed in the interior of the for-hire vehicle so as to be readily discernible to the passenger.

4 The Director will prescribe the manner of such posting.

5 2. For-hire vehicles must charge for service based on: a written contract~~((;))~~; flat
6 charge per trip, by zone~~((;))~~; or by an hourly rate with minimum increments of ~~((one-half ()))~~
7 $\frac{1}{2}$ ~~((;))~~ hour. Flat charges by zone or hourly rate may vary by time of day.

8
9 G. Transportation network company rates

10 1. A transportation network company may not lawfully operate until it has
11 provided the Director with written documentation explaining its rate structure, demonstrating
12 that it is consistent with State law per RCW Chapter 19.94. The rate structure shall also
13 demonstrate how tolls or charges established for roads, bridges, tunnels or ferries shall be
14 charged to passengers. TNCs shall either a) charge flat rates between preset zones, which may
15 vary by time of day, and file these rates with the Director, or b) provide the Director with
16 certification from the Department of Licensing, on official letterhead, that its rate structure
17 complies with RCW Chapter 19.94.

18
19 2. Regardless of the type of rate charged by a transportation network company,
20 the rate shall be disclosed to the passenger and acknowledged via the electronic dispatch system
21 before the trip is initiated. A trip is initiated when the passenger enters the vehicle.

22
23 ~~((G.))~~H. The rates specified in this section shall not apply to transportation of persons
24 provided pursuant to a written contract which establishes a fare at a different rate for specified
25 transportation and has been previously filed with the Director; provided, that no contract may
26



1 include any provision the effect of which is to directly or indirectly require exclusive use of the
2 transportation services of the contracting taxicab or for-hire vehicle.

3 ~~((H.))~~L. It is unlawful under the Americans with Disabilities Act to charge a special
4 service vehicle rate which is different from the taxicab rates adopted in subsection D of this
5 section, except in those instances where the transportation of disabled persons is pursuant to a
6 written contract as specified in subsection ~~((G.))~~H of this section (Class B).

7
8 ~~((F.))~~J. The Director is authorized to approve a temporary fuel surcharge to be added to
9 the taxicab meter rate, or the flat rate for trips from the downtown hotel district to Seattle-
10 Tacoma International Airport, any time the price of fuel, as published by the American
11 Automobile Association, exceeds a fuel surcharge trigger price established pursuant to an
12 administrative rule adopted by the Director. The surcharge shall be an amount necessary to
13 recoup the increased fuel costs.

14
15 ~~((J.))~~K. The Director is authorized to temporarily suspend the flat rate from the
16 downtown hotel district to Seattle-Tacoma International Airport when conditions exist at the
17 airport or elsewhere that result in an average increase of ten ~~((10))~~ minutes to the normal trip
18 time and are beyond the control of the drivers. Examples of such conditions would be vehicle
19 security checks at the airport or major construction projects on Interstate 5 or State Route 99 that
20 delay traffic.

21
22 ~~((K.))~~L. The Director shall specify by rule how tolls or charges established for roads,
23 bridges, tunnels or ferries shall be charged to taxicab or for-hire vehicle passengers and shall
24 prescribe required signage for the vehicles for such purposes.



1 Section 25. Section 6.310.600 of the Seattle Municipal Code, which Section was last
2 amended by Ordinance 121857, is amended as follows:

3 **6.310.600 Penalties((=))**

4 A. The first violation of subsections 6.310.130.A, 6.310.130.B or 6.310.452.A shall
5 be a civil infraction as contemplated by RCW Chapter 7.80 and deemed to be a Class 1 civil
6 infraction under RCW 7.80.120(a), and shall subject the violator to a maximum penalty and
7 default amount of \$1,000 plus statutory assessments.

8 1. As contemplated by RCW 7.80.160, a person who, after receiving a notice
9 of civil infraction that includes a statement of the options provided in RCW Chapter 7.80 for
10 responding to the notice and the procedures necessary for exercising these options, knowingly
11 fails to exercise one of the options within 15 days of the date of the notice is guilty of a
12 misdemeanor subject to the provisions of Chapters 12A.02 and 12A.04, except that absolute
13 liability shall be imposed for such a violation and none of the mental states described in Section
14 12A.04.030 need be proved, regardless of the disposition of the notice of civil infraction. A
15 person who willfully fails to pay a monetary penalty or perform community service as ordered
16 by a court may be found in contempt of court as provided in RCW Chapter 7.21.

17 2. An action for a civil infraction shall be initiated and processed in the
18 manner contemplated by RCW Chapter 7.80 and the Infraction Rules for Courts of Limited
19 Jurisdiction. For purposes of RCW 7.80.040, the "enforcement officer" authorized to enforce the
20 provisions of subsections 6.310.130.A and 6.310.130.B and 6.310.452.A are: (1) the Director of
21 the Seattle Department of Finance and Administrative Services and authorized representatives or
22 assistants of him or her; and (2) a commissioned officer of the Seattle Police Department and a
23 person issued a Special Police Officer Commission by the Chief of Police with authority to
24 enforce this title.

25 B. A subsequent violation of subsections 6.310.130.A, 6.310.130.B or 6.310.452.A
26 within five years of the prior violation is a misdemeanor subject to the provisions of Chapters
27



12A.02 and 12A.04, except that absolute liability shall be imposed for such a violation and none of the mental states described in Section 12A.04.030 need be proved.

~~((A.))~~C. Violation of ~~((SMC Section))~~ subsections 6.310.130.C – 6.310.130.E shall be a misdemeanor and upon conviction shall be punished by a fine not to exceed ~~((One Thousand Dollars (-)))~~\$1,000~~((-00))~~, or by imprisonment for a term not to exceed ~~((ninety (-)))~~90~~((0))~~ days, or by both such fine and imprisonment.

~~((B.))~~D. For each violation of a provision in this chapter that has a class referenced in parenthesis after the provision, a civil penalty and penalty points shall be imposed by and paid to the Department according to the provisions of ~~((SMC))~~ Section 6.310.605.

~~((C.))~~E. Any person who alters, edits, destroys, removes, copies, transfers, transmits, erases, deletes, overwrites, obscures, damages, encodes, locks, renders unreadable, or otherwise tampers with any image made by a digital security camera, other than as may occur in the normal operation of the digital security camera system as mandated and authorized by the Director, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not to exceed ~~((One Thousand Dollars (-)))~~\$1,000.00~~((0))~~, or by imprisonment for a term not to exceed ~~((ninety (-)))~~90~~((0))~~ days, or by both such fine and imprisonment.

Section 26. Section 6.310.605 of the Seattle Municipal Code, which Section was last amended by Ordinance 121738, is amended as follows:

6.310.605 Monetary penalties and penalty points~~((-))~~

A. For-hire ~~((D))~~driver, transportation network company driver or ~~((F))~~taxicab/~~((F))~~for-hire ~~((V))~~vehicle ~~((V))~~violations.

Violation	Penalties Against a For-hire Driver, <u>TNC Driver</u> or a Taxicab Licensee or For-hire Vehicle For Each Violation	Penalty Points Attributed to Taxicab Association or <u>Transportation Network Company</u> For Each Violation
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1 1. Violations ((F))found ((D))during a ((C))calendar ((Y))year ((A))away from The City((s))
 2 of Seattle's ((F))inspection ((F))facility.

3 First Class A in one year	\$35((.00))	2
4 Second Class A in one year	\$70((.00))	3
5 Third or more Class A 6 violation in one year	\$120((.00))	4
7 First Class B violation in 8 one year	\$70((.00))	4
9 Second Class B violation in 10 one year	\$175((.00))	7
11 Third or more Class B 12 violation in one year	\$300((.00))	10
13 All Class C violations	\$1,000((.00))	20

15 2. Violations ((F))found ((D))during ((F))inspections at The City((s)) of Seattle's
 16 ((F))inspection ((F))facility.

17 Failure to appear for 18 inspection scheduled by the 19 Director (see <u>Section</u> 20 <u>6.310.330 I</u> and paragraph below)	\$50	2 penalty points
21 Class A violation found 22 during inspection at City's 23 inspection facility	Vehicle reinspection fee. See fee schedule in <u>Section</u> <u>6.310.150</u>	2 each violation
24 Class B violation found 25 during inspection at City's 26 inspection facility	Vehicle reinspection fee. See fee schedule in <u>Section</u> <u>6.310.150</u>	4 each violation



"Failure to appear for inspection scheduled by the Director" includes a late arrival for the inspection. If notification that the vehicle can not appear is made prior to the close of business on the business day before the scheduled inspection, and the taxicab plates are delivered to the inspection facility prior to the original inspection time, then no penalty will be due.

3. Penalties and penalty points are attributed to the taxicab association or transportation network company with which the taxicab and/or for-hire driver is affiliated at the time the violation occurs.

B. Taxicab ~~((A))~~association or transportation network company ~~((V))~~violations ~~((D))~~during a ~~((C))~~calendar ~~((Y))~~year.

Violation	Penalty Points Against Taxicab Association or Transportation Network Company
First Class A violation in one year	5
Second Class A violation in one year	6
Third or more Class A violation in one year	7
First Class B violation in one year	10
Second Class B violation in one year	12
Third or more Class B violation in one year	15
Any Class C violation	Revocation

As soon as an association or TNC accumulates more than five ~~((5))~~ penalty points per affiliated taxicab or for-hire vehicle, on average, it must pay a penalty to the Director of ~~((One Hundred Dollars -))~~\$100~~(())~~ per affiliated taxicab or for-hire vehicle. As soon as an association or TNC accumulates more than seven ~~((7))~~ penalty points per affiliated taxicab or for-hire



1 vehicle, on average, it must pay an additional penalty to the Director of ~~((One Hundred Fifty~~
2 ~~Dollars-))\$150(())~~ per affiliated taxicab or for-hire vehicle. As soon as an association or TNC
3 accumulates more than ten ~~((10))~~ points per affiliated taxicab or for-hire vehicle, on average, it
4 must pay an additional penalty to the Director of ~~((Two Hundred Fifty Dollars-))\$250(())~~ per
5 affiliated taxicab or for-hire vehicle. For purposes of this subsection, average number of penalty
6 points per affiliated taxicab or for-hire vehicle means total association penalty points divided by
7 number of taxicabs or for-hire vehicles within the association or TNC. (The Director will
8 compute the number of taxicabs or for-hire vehicles within the association or TNC by averaging
9 the number of taxicabs or for-hire vehicles in the association or TNC (rounded up) at the
10 beginning of the year and the number of cabs or for-hire vehicles at the end of each completed
11 quarter, i.e., March 31st, June 30th, etc.). If an association or TNC has exceeded the average
12 amount of penalty points as outlined above, the penalty will be due as of the end of the current
13 quarter. The association or TNC may ask for a hearing with the Director concerning the
14 assessment of such penalty. At such hearing the association or TNC will present any evidence to
15 refute or mitigate ~~((the))~~ its performance~~((of the association))~~. After the hearing, the Director
16 may impose the penalty, reduce the penalty, or with just cause waive the penalty and put the
17 association or TNC on probation with specific performance guidelines. If the association or TNC
18 does not meet the guidelines imposed, the Director will impose the penalty. In any case, the
19 Director's decision is final.

20
21
22
23 Upon renewal of the taxicab association or TNC license, the association or TNC will start
24 the new year with zero ~~((0))~~ penalty points.

25 A Class C violation by a TNC shall result in revocation of the TNC license.



1 C. Taxicab or ~~(F)~~for-hire ~~(V)~~vehicle ~~(O)~~owner's ~~(R)~~responsibility for
2 ~~(P)~~penalties ~~(I)~~incurred by ~~(F)~~for-hire ~~(D)~~drivers. A taxicab or for-hire vehicle owner is
3 jointly and severally liable for each monetary penalty assessed against any for-hire driver who
4 commits a violation while operating a taxicab or for-hire vehicle belonging to that owner. The
5 City is not required to pursue collection of the penalty from the driver as a prerequisite to
6 pursuing collection of the penalty from the owner.

7
8 D. Taxicab ~~(A)~~association's or transportation network company's
9 ~~(R)~~responsibility for ~~(P)~~penalties ~~(I)~~incurred ~~(B)~~by ~~(F)~~for-hire ~~(D)~~drivers and
10 ~~(F)~~taxicab ~~(O)~~owners. In addition to incurring penalty points, the taxicab association or TNC
11 is jointly and severally liable for each monetary penalty assessed against any for-hire driver or
12 taxicab affiliated with the taxicab association or TNC. The City is not required to pursue
13 collection of the penalty from the for-hire driver or the taxicab owner as a prerequisite to
14 pursuing collection of the penalty from the taxicab association or TNC.

15
16 Section 27. Section 6.310.610 of the Seattle Municipal Code, which Section was last
17 amended by Ordinance 122763, is amended as follows:

18
19 **6.310.610 Suspension or revocation~~(-)~~**

20 ***

21
22 C. Revocation ~~(S)~~standards

23 ***

24
25 **3. Transportation network companies (TNC)**

26 **a. The Director shall revoke a TNC license if during the license period:**



1 i. The TNC, or any owner, officer, director, managing partner,
2 general partner or principal of the TNC, receives a bail forfeiture, conviction or other final
3 adverse finding for crimes of fraud, theft, larceny, extortion, embezzlement, racketeering,
4 Uniform Controlled Substances Act, prostitution, alcohol and/or narcotics where the commission
5 of such crimes involved or used a TNC or for-hire vehicle. If an owner, officer, director,
6 managing partner, general partner or principal of the TNC found in violation of this subsection is
7 (a) removed immediately from all operational or management duties or authority and (b) is
8 divested of all ownership in the TNC as soon as possible, the license may be reinstated;

10 ii. The TNC, or any owner, officer, director, managing partner,
11 general partner or principal of the TNC, receives a bail forfeiture, conviction or other final
12 adverse finding involving crimes directly related to the applicant' s ability to operate a TNC,
13 including but not limited to prostitution, gambling, fraud, larceny, extortion, income tax evasion.
14 If an owner, officer, director, managing partner, general partner or principal of the TNC found in
15 violation of this subsection is (a) removed immediately from all operational or management
16 duties or authority and (b) is divested of all ownership in the TNC as soon as possible, the
17 license may be reinstated;

19 iii. An affiliated vehicle has not been inspected by an approved
20 third party as required by 6.310.270;

22 iv. Has failed to meet the insurance requirements outlined in
23 Section 6.310.260;



1 v. An affiliated driver is active on the TNC dispatch without
2 personal and commercial vehicle insurance;

3 vi. Fails to pay all penalties imposed by the Department that are
4 either not contested or are upheld after review; or

5 vii. The TNC has committed one Class C violations in any one
6 year period.

8 b. The Director may revoke a TNC license if during the license period the TNC:

9 i. Dispatches to an unlicensed or unaffiliated driver;

10 ii. Dispatches to an unaffiliated vehicle;

11 iii. Dispatches to a vehicle that is neither a for-hire vehicle or taxicab, nor
12 a vehicle with a TNC vehicle endorsement;

13 iv. Knowingly permits a third party to use the TNC dispatch system;

14 v. Knowingly permits a TNC endorsed driver driving a TNC endorsed
15 vehicle to pick up hails, cruise, or otherwise solicit trips;

16 vi. Knowingly allows a TNC driver driving a TNC endorsed vehicle to
17 take trips not dispatched by the TNC;

18 vii. Fails to review driving records of TNC drivers and maintain records
19 thereof;

20 viii. Knowingly permits TNC drivers with any conviction listed in
21 subsection 6.310.270 to continue affiliating with a TNC and/or operating as a TNC driver;



6. Transportation network company (TNC) drivers

a. The Director shall revoke the for-hire license of a transportation network company driver, if, while active on the TNC dispatch system:

i. The TNC driver receives a bail forfeiture, conviction, or other final adverse finding for crimes pertaining to hit-and-run, or for crimes pertaining to driving under the influence of alcohol or controlled substances while operating for-hire vehicle;

ii. The TNC driver's Washington State driver's license expires or is revoked;

iii. The TNC driver has committed one (1) Class C violations in any one (1) year period;

iv. The TNC endorsed driver driving a TNC endorsed vehicle picks up a street hail, cruises, or otherwise solicits trips whether active on the TNC dispatch or not;

v. The TNC driver driving a TNC endorsed vehicle provides a ride that is not booked through the TNC application dispatch system;

vi. Drives a vehicle that is not affiliated with the TNC;

vii. Drives a vehicle that is neither a for-hire vehicle or taxicab licensed under this chapter nor a vehicle with a TNC vehicle endorsement;

b. The Director may revoke the for-hire license of a transportation network company driver if:



1 i. The TNC driver is found to be in possession of illegal drugs or
2 an open container of alcohol while in control of or while operating any taxicab or for-hire
3 vehicle; or

4 ii. The TNC driver has received a conviction, bail forfeiture, or
5 other final adverse finding involving crimes pertaining to prostitution, gambling, physical
6 violence, Uniform Controlled Substances Act, fraud, theft, robbery, larceny, burglary, extortion
7 and/or crimes directly related to the driver's ability to operate a for hire vehicle.

9 D. Effect of ~~(N)~~notice of ~~(S)~~suspension or ~~(R)~~revocation.

10
11 1. Summary ~~(S)~~suspension or ~~(R)~~revocation. Whenever any license or TNC
12 vehicle endorsement is summarily suspended or revoked the suspension or revocation is effective
13 upon issuance of the notice. Such notice may be appealed pursuant to the procedures of Section
14 6.310.635. If a timely appeal is not filed by the licensee or TNC driver, the notice of summary
15 suspension or revocation shall be final. Such summary suspension shall extend until any
16 administrative or judicial appeal is finally concluded in the licensee's or TNC driver's favor, until
17 the license or endorsement expires, or until evidence satisfactory to the Director is produced
18 showing that the violation is cured, whichever occurs first. Summary revocations shall extend
19 until the end of the annual license or endorsement period or until any administrative or judicial
20 appeal is finally concluded in the licensee's or TNC driver's favor, whichever occurs first.

21
22
23 2. Suspension or ~~(R)~~revocation. If the licensee or TNC driver does not file a
24 timely appeal pursuant to Section 6.310.635, the notice of suspension or revocation shall be final.
25 Suspensions or revocations become effective upon the date any notice of suspension or
26



1 revocation or order on appeal affirming such notice becomes final. Unless a time period is
2 specified in a particular section of the ordinance codified in this chapter, suspensions shall
3 extend until the license or endorsement expires or until evidence satisfactory to the Director is
4 produced showing that the violation is cured, whichever occurs first. Revocations shall extend
5 until the end of the annual license or endorsement period.

6
7 3. Except in the case of a summary suspension or revocation as provided in
8 subsection 6.310.610.D.1 above, whenever a timely appeal is filed pursuant to Section
9 6.310.635, a licensee or TNC driver may continue to engage in the activity for which the license
10 or endorsement is required pending a final decision on appeal.

11
12 Section 28. Section 6.310.635 of the Seattle Municipal Code, which Section was last
13 amended by Ordinance 121738, is amended as follows:

14
15 **6.310.635 Notice and hearing for denials, violations, suspensions and revocations((+))**

16 A. For each violation, and for each denial, suspension or revocation, the Director shall
17 give written notice to the affected licensee. If the affected licensee is a taxicab driver, the
18 Director shall at the same time give written notice of violations to the taxicab licensee and the
19 taxicab association. If the affected licensee is a transportation network company driver, the
20 Director shall at the same time give written notice to the transportation network company. If the
21 affected licensee is a taxicab licensee, the Director shall at the same time give written notice of
22 violations to the taxicab association. All notices directed to a taxicab driver or taxicab licensee
23 may be served by personal delivery to, or by first-class mail addressed to, the taxicab association.
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1 B. Any notice of denial, violation, suspension or revocation, other than a summary
2 suspension or revocation pursuant to ~~((Section))~~ subsection 6.310.610 A, shall state that the
3 driver, taxicab or for-hire vehicle licensee, transportation network company and/or taxicab
4 association is entitled to a hearing to respond to the notice and introduce any evidence to refute
5 or mitigate the violation. Upon written request, submitted by the person named on the violation,
6 filed within ten ~~((40))~~ calendar days after the date of the notice of denial, violation, suspension
7 or revocation, the Director shall set a hearing date and time to be held as soon as possible and not
8 more than ~~((thirty-))30(())~~ calendar days from the date of the request or the next business day
9 after that if the thirtieth day falls on a weekend or holiday.
10

11 C. Any notice of summary suspension or revocation pursuant to ~~((Section))~~ subsection
12 6.310.610.A and 6.310.610.D.1, shall state that the driver, taxicab or for-hire vehicle licensee,
13 transportation network company and/or taxicab association is entitled to a hearing to respond to
14 the notice and introduce any evidence to refute or mitigate the violation. Upon written request,
15 submitted by the person named on the violation, filed within ten ~~((40))~~ calendar days after the
16 date of the notice of the summary suspension or revocation, the Director shall set a hearing date
17 and time to be held as soon as possible and not more than seven ~~((7))~~ calendar days from the
18 date of the request or the next business day after that if the seventh day falls on a weekend or
19 holiday. The Director shall render a decision affirming or reversing the summary suspension or
20 revocation within three ~~((3))~~ business days after the conclusion of the hearing.
21

22 D. The decision of the Director is final only if a monetary penalty is imposed or if a
23 timely appeal is not filed pursuant to subsection G. A taxicab license or for-hire driver license
24 may be reinstated without a hearing if the violation was for failure to pay a monetary penalty
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1 within ~~((thirty))~~ ~~((10))~~30~~((10))~~ days, if the licensee pays the monetary penalty in full within ten
2 ~~((10))~~ days of the date of license_revocation and pays a license reinstatement fee. This authority
3 to reinstate licenses_without a hearing only applies if it is the first instance of failure to pay a
4 monetary penalty in the calendar year.

5 E. The hearing shall be held by the Director or the Director's designee, provided that the
6 designee may not be a person who directly supervises the inspector who issued the notice of
7 denial, violation, suspension or revocation.

8 F. The hearing shall be informal, but shall be recorded by electronic means provided by
9 the Director. Within ~~((twenty))~~ ~~((10))~~20~~((10))~~ days of the hearing, the Director shall issue a written
10 ruling including factual findings and the Director's conclusion, with supporting reasons,
11 affirming, modifying or reversing the notice. The decision shall be mailed by first class mail to
12 each affected licensee at the address listed on the application; or in any supplemental materials.
13 ~~((However, if the licensee is a taxicab licensee or taxicab driver, the decision))~~ Licensee
14 decisions for taxicabs and taxicab drivers shall be mailed by first class mail to the licensee at the
15 address of the taxicab association. Licensee and endorsement decisions for transportation
16 network company drivers shall be mailed by first class mail to the licensee at the address listed
17 on the licensee's for-hire driver's license application as well as the transportation network
18 company.

19 G. If the Director's decision imposes or affirms a denial, suspension or revocation,
20 including summary suspension or revocation, any affected licensee may appeal the entire
21 decision to the Hearing Examiner by filing a notice of appeal with the Hearing Examiner within
22 ten ~~((10))~~ days after the date of mailing of the decision. Decisions of the Director imposing a
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1 monetary penalty only, pursuant to subsection D, shall not be appealable to the Hearing
2 Examiner.

3 ***

4 Section 29. The Department of Finance and Administrative Services shall issue a report
5 to City Council regarding the transportation network company pilot program by no later than
6 September 30, 2015. The report shall include an assessment of taxi industry trips and revenue,
7 the percentage of taxi industry trips that are dispatched on any platform, the response times for
8 any companies in the dispatch market, the locations of rejected rides by any companies in the
9 dispatch market, the financial burdens of drivers across the different platforms, any available
10 data about driver experiences and driver migrations across platforms, collisions, driver
11 violations, rates, and customer satisfaction rates and complaints.
12

13
14 Section 30. Without further action taken by City Council, the transportation network
15 company pilot program will automatically sunset on June 30, 2016.

16 Section 31. This ordinance shall take effect and be in force 30 days after its approval
17 by the Mayor, but if not approved and returned by the Mayor within ten days after
18 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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20
21 Passed by the City Council the ____ day of _____, 2014, and signed by
22 me in open session in authentication of its passage this ____ day of _____,
23 2014.
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President _____ of the City Council

Approved by me this ____ day of _____, 2014.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
LEG	Tony Kilduff / 4-3580	n/a

Legislation Title:

AN ORDINANCE relating to companies and drivers of a new type of for-hire vehicle in order to create a pilot program for transportation network companies and affiliated drivers and vehicles: establishing minimum operating requirements for transportation network companies and affiliated drivers; imposing vehicle inspections; imposing a zero tolerance drug use policy for affiliated drivers; imposing minimum insurance requirements for transportation network companies and affiliated vehicles; requiring rate transparency for transportation network companies; and establishing licensing fees; raising the maximum number of taxicab licenses issued by the City; revising terminology; adding new sections and amending various Sections of Chapter 6.310 of the Seattle Municipal Code.

Summary of the Legislation:

This legislation provides for the regulation of Transportation Network Companies (TNCs) and modification of certain regulations relating to for-hire vehicles and taxis.

Background:

TNCs like Uber, Lyft, and Sidecar, represent that they are facilitating peer-to-peer sharing of passenger vehicles and hence not subject to regulation by the City. However, the City Council finds that the TNCs and the drivers who operate on their systems are engaged in the transportation of persons for compensation and therefore do fall within the regulatory authority granted the City by Article 11, Section 11 of the Washington State Constitution and RCW 46.72.160.

Because the TNC business model involves dispatching traditional for-hire drivers and vehicles as well as non-professional casual drivers, regulating them raises a number of policy questions. Cities are more familiar with regulating traditional for-hire modes of transportation such as taxis and models for that, both good and bad, abound. As these companies have begun operations within the last year and a half, there are not yet good models of regulation for peer-to-peer services. It would be easier to ban them, as several cities have already done, than to find a regulatory framework that allows them to function while protecting other interests of the City. However, the Council sees value in the transportation services these companies provide and would like to encourage them. These new entrants to the market have the potential to disrupt existing for-hire services that the Council also views as important to the public. The Council would therefore like to strike a balance between the new and existing services. To that end, this



Ordinance would establish a pilot period of approximately two years during which the growth of the TNCs would be limited to allow existing for-hire services to adapt to their operation.

The specific limits under consideration are as follows:

- Require that anyone driving for a TNC be either a for-hire licensed driver driving a for-hire licensed vehicle OR a for-hire licensed driver with an endorsement to drive his or her own vehicle for a TNC;
- Require that TNCs ensure that any driver on their system has full casualty and property insurance that covers commercial activity while they are active on the system;
- Require that the unique vehicle used by the endorsed license holder meet certain safety standards; and
- Require the TNCs to report information from their systems deemed necessary or convenient to allow enforcement of regulations.

In addition to establishing regulations for TNCs, this Ordinance also makes changes to the regulations on existing for-hires to provide them more flexibility in the market. Specific changes include:

- Allow flat-rate vehicles limited access to street hails;
- Allow both flat-rate vehicle and taxis to work for TNCs while operating in their traditional capacities;
- Allow county-only for-hires to pick up fares in the city if they are operating under a standing written agreement;
- Allow WAT license owners to cease driving after five years to be consistent with other for-hires.

In response to a market demand study that found insufficient supply of for-hire services during certain peak periods, this legislation also increases the number of new taxi licenses by 150 over two years.

Please check one of the following:

This legislation does not have any financial implications.

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

This legislation has financial implications.

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)

Appropriations:

(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not supported by revenue/reimbursements, please confirm that there is available fund balance to cover this appropriation in the note section.)



Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
Finance and Administrative Services Fund (50300)	Finance and Administrative Services	Revenue and Consumer Protection	n/a	\$617,548
TOTAL				\$617,548

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

	For Hire/Taxi Cab			TNC			Total Appropriated Budget Needed	Total Revenue Req'mt Budget
	Budget (3FTE - Licenses and Standards)	Revenue Req'mt	Notes on Difference	Budget (3.0FTEs)	Revenue Req'mt	Notes on Difference		
Positions	302,358			267,190			569,548	569,548
Vehicles One time (2, for For Hire only)		60,000	Using existing Fleets budget					60,000
Vehicles On going (annual)		13,400	Using existing Fleets budget					13,400
Space One time setup		50,000	Using existing CTRL budget		50,000	Using existing CTRL budget		100,000
Space on going (annual)		30,000	Using existing Facilities budget		30,000	Using existing facilities budget		60,000
Employee Setup (computer etc)	12,000			12,000			24,000	24,000
Misc office	12,000			12,000			24,000	24,000
Department Overhead		7,800	Using existing ABS budget		7,800	Using existing ABS budget		15,600
Other								
Total	326,358	161,200		291,190	87,800		617,548	866,548

Anticipated Revenue/Reimbursement Resulting from this Legislation:



(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.)

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
Finance and Administrative Services Fund (50300)	Finance and Administrative Services	Licenses & fees	n/a	\$866,544
TOTAL				\$866,544

Revenue/Reimbursement Notes:

TNC Additional Revenue Assumed	
75 New Taxicab Licenses (75 x \$600)	\$ 45,000
300 TNC Driver/Vehicle Permits (300 x \$50)	\$ 15,000
3 TNC Companies (3 x \$50,000)	\$ 150,000
Total	\$ 210,000

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

(This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.)

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
Licenses and Standards Inspectors, Finance and Administrative Services		Finance and Administrative Services Fund (50300)	FT			3.0	3.0
TOTAL						3.0	3.0

* 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.

Position Notes:



SUMMARY. Additional staff will be required to implement the new ordinance regulating the Transportation Network Company (TNC) industry in Seattle. The estimated staff needs are as follows:

- 1.0 FTE Licenses and Standards Inspector
- 1.0 FTE Research and Evaluation Assistant
- 1.0 Administrative Specialist II

If King County Licensing declines to issue TNC driver permits, an additional 1.0 FTE Administrative Specialist II will be required to perform this activity. Ongoing IT and audit support will be needed to build a web-based tool to collect operating data submitted by the licensed TNCs; to analyze the data to monitor compliance with the new ordinance; and to verify that TNCs are properly reporting their annual gross revenue for purposes of paying their annual fee (\$50,000 or 0.35% of annual gross revenue, whichever is greater).

DISCUSSION. The assumptions about the size and composition of the TNC industry and the specific duties of the new staff positions are described below.

Seattle TNC Industry- Size and Composition. These estimates are little more than educated guesses since the TNC industry will not release *any* data about their operations.

- Companies. It is estimated that the existing unlicensed Seattle TNC industry is comprised of three large companies (Uber-x, Lyft and Sidecar) and fewer than 10 small companies.
- Drivers and Vehicles. Altogether, it is estimated that there are presently about 200 active affiliated TNC drivers and vehicles. This estimate may no longer be accurate, as it is dated.
- Projection. It is likely that demand for Permits will exceed the 300 drivers allowed for by this proposed law.
- Inspections. TNCs must provide a certificate of inspection for the vehicle – inspections will not be done by City Inspectors.

Duties of the New Staff Positions. These duties are based upon the requirements set out in the most recent DRAFT ordinance.

- Licenses and Standards Inspector. The inspector will work random shifts conducting street enforcement, investigating passenger complaints and spot checking compliance with vehicle safety standards. It is expected that many current taxicab and for-hire vehicle drivers and limousine chauffeurs will migrate to this industry and soliciting trips on the street will become a significant problem requiring undercover investigations. The inspector will check to verify evidence of insurance. The inspector will also assist administering the issuing of 300 driver permits by lottery, RFP, or other device according to law.
- Research and Evaluation Assistant. This position will gather and analyze (audit) operating data from licensed TNCs to verify compliance with ordinance requirements (e.g., TCN Permit holders are limited to working 16 hours per week, TCN must pay 0.35% of gross revenue as an annual license fee, dispatch and billing data required to investigate passenger complaints about service or fares, etc.)
- Administrative Specialist II. The license specialist will collect and review insurance policies and vehicle registrations for vehicles used by TNC drivers, as well as purchased by the TNC, to verify compliance with vehicle insurance requirements (e.g., coverage limits, carrier rating, restrictions on coverage – including business use of vehicle). Issue

summary license suspensions of TNC driver permits for cancelled or expired insurance.

Do positions sunset in the future?

No

Spending/Cash Flow:

(This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.)

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
Finance and Administrative Services Fund (50300)	Finance and Administrative Services	Revenue and Consumer Protection		\$617,548
TOTAL				\$617,548

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes:

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**

Probably not.

b) **What is the financial cost of not implementing the legislation?**

None.

c) **Does this legislation affect any departments besides the originating department?**

(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.)

Yes, the Department of Finance and Administration.

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)

None.

e) **Is a public hearing required for this legislation?**

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

No.

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle***



Times required for this legislation?

(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)

No.

g) Does this legislation affect a piece of property?

(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)

No.

h) Other Issues:

List attachments to the fiscal note below:

