

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; and

11 14. The Council finds that the issuance of an additional 100 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 June 1, 2015. The review of the pilot program shall include an assessment of taxi
19 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 continue; 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 Section 2. Section 6.310.100 of the Seattle Municipal Code, last amended by Ordinance
5 118341, is amended as follows:

6 **6.310.100 Purpose((:))**

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

18 B. The Director may issue a moratorium suspending the issuance of TNC vehicle
19 endorsements or TNC licenses upon finding that the continued issuance of TNC vehicle
20 endorsements or TNC licenses threatens public safety or raises substantial consumer protection
21 concerns. In making such a finding the Director may consider, but is not limited to
22 considering: consumer complaints, the stability of the market for taxi and for-hire
23 transportation services, consumer demand for transportation services, and the financial
24 viability of transportation service providers. Where the issuance of TNC vehicle endorsements
25 or TNC licenses has been suspended pursuant to this subsection, the suspension shall last no
26 more than 180 days.

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

6.310.110 Definitions((,))

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

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

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

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

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

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

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

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

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

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

14 "Compensation" means remuneration or anything of economic value that is provided,
15 promised, or donated primarily in exchange for services rendered. This includes, but is not
16 limited to voluntary donations, fee-sharing between a taxicab association or transportation
17 network company and an affiliated driver, advertisement of a taxicab association or
18 transportation network company services, and increased patronage for taxicab association or
19 transportation network company services.

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

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

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

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

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

- 9 1. Taxicabs as defined in this chapter;
- 10 2. School buses operating exclusively under a contract to a school district;
- 11 3. Ride-sharing vehicles under Chapter 46.74 RCW;
- 12 4. Limousine carriers licensed under Chapter ~~((81-90))~~ 46.72A RCW;
- 13 5. Vehicles used by nonprofit transportation providers solely for elderly or
14 handicapped persons and their attendants under Chapter 81.66 RCW;
- 15 6. Vehicles used by auto transportation companies licensed under Chapter 81.68
16 RCW;
- 17 7. Vehicles used to provide courtesy transportation at no charge to and from
18 parking lots, hotels, and rental offices; and
- 19 8. Vehicles licensed under, and used to provide "charter party carrier" and
20 "excursion service carrier" services as defined in, and required by, Chapter 81.70 RCW.

21 ~~((L-))~~ "Handicapped person" means any person who, by reason of illness, injury, age,
22 congenital malfunction, or other permanent or temporary incapacity or disability, is unable
23 without special facilities or special planning or design to use mass transportation facilities and
24 services as efficiently as persons who are not so affected. Handicapped persons include
25 ambulatory persons whose capacities are hindered by sensory disabilities such as blindness or
26 deafness, such mental disabilities as mental retardation or emotional illness, and physical

1 disabilities that still permit the person to walk comfortably, or a combination of these
2 disabilities. It also includes a semiambulatory person who requires such special aids to travel
3 as canes, crutches, walkers, respirators, or human assistance, and a nonambulatory person who
4 must use wheelchairs or wheelchair-like equipment to travel.

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

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

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

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

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

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

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

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

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

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

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

20 ~~((W-))~~ "Taxicab" means every motor vehicle:

- 21 1. That is held out to the public as providing transportation to passengers or
22 articles for hire;
23 2. Where the route traveled or destination is controlled by the customer;
24 3. That carries signs or indicia of a taxicab, including the words "taxi,"
25 "taxicab," or "cab"; and
26
27
28

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

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

~~((Y-))~~ "Taxicab association representative" means the person or persons that a taxicab association has authorized to:

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

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

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

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

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

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

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

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

19 "Transportation network company (TNC) endorsed driver" means a licensed for-hire
20 driver affiliated with and accepting dispatched trips from a licensed transportation network
21 company, while operating a personal vehicle with a TNC vehicle endorsement.

22 "Transportation network company (TNC) representative" means the person or persons
23 that a transportation network company has authorized to:

- 24 1. File applications, rates and charges on behalf of the TNC;
25 2. Receive and accept all correspondence and notices from the City pertaining
26 to the TNC, or to affiliated drivers operating within the TNC; and

1 3. Forward any correspondence, notices and/or legal process received by the
2 TNC and intended for an affiliated driver operating within the TNC.

3 "Transportation network company (TNC) vehicle endorsement" means an endorsement
4 on a for-hire driver's license for a personal vehicle that allows the for-hire driver to use the
5 endorsed vehicle to affiliate with a transportation network company in order to provide
6 transportation to passengers via an application dispatch system. The endorsement
7 demonstrates that the vehicle has met the minimum operating requirements as set forth in
8 Sections 6.310.325 and 6.310.327.

9 ((AA-)) "Wheelchair accessible taxicab" or "Wheelchair accessible for-hire vehicle"
10 means a taxicab or for-hire vehicle designed or modified to transport passengers in wheelchairs
11 or other mobility devices and conforming to the requirements of the Americans with
12 Disabilities Act (ADA), and inspected and approved by the Director.

13 Section 4. Section 6.310.120 of the Seattle Municipal Code, last amended by Ordinance
14 118341, is amended as follows:

15 **6.310.120 Scope((+))**

16 This chapter applies to all taxicab associations, all taxicabs, all for-hire vehicles and all
17 for-hire drivers operating ((within)) in The City of Seattle. This chapter does not apply to for-hire
18 drivers with valid King County for-hire driver's licenses operating for-hire vehicles with valid
19 King County only for-hire vehicles licenses that have proof that they are operating the for-hire
20 vehicle pursuant to a business service contract on file with the Director. This chapter is not
21 intended to be a part of the New License Code, Chapter 6.202 et seq.

22 Section 5. Section 6.310.125 of the Seattle Municipal Code, last amended by Ordinance
23 121738, is amended as follows:

24 **6.310.125 Violation classifications((+))**

1 A. Requirements contained within this chapter shall specify violation classifications in
2 parentheses for the purpose of assessing monetary penalties and penalty points. General
3 provisions for penalty enforcement are set forth in ((SMC)) Sections 6.310.600, 6.310.605,
4 6.310.610, and 6.310.635. Monetary penalties and penalty points for each violation
5 classification are specifically set forth in ((SMC)) Section 6.310.605.

6 B. Violation classifications are as follows:

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

15 Section 6. Section 6.310.130 of the Seattle Municipal Code, last amended by Ordinance
16 119872, is amended as follows:

17 **6.310.130 Licenses required((-))**

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

- 21 1. The for-hire driver has a valid license issued under this chapter;
- 22 2. The for-hire vehicle or taxicab has a valid license issued under this chapter.
- 23 3. If the vehicle is a taxicab, the taxicab is affiliated with a taxicab association
24 licensed under this chapter;
- 25 4. The for-hire driver that operates a taxicab is affiliated with a taxicab
26 association licensed under this chapter.
- 27

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

3 1. The driver has a valid for-hire driver's license issued under this chapter;

4 2. The vehicle is either:

5 a. A personal vehicle with a TNC vehicle endorsement, or

6 b. A for-hire vehicle or taxicab licensed under this chapter; and

7 3. The driver is affiliated with a TNC licensed under this chapter.

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

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

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

14 1. The person or entity is a licensed transportation network company; or

15 2. The person or entity uses the application dispatch system exclusively for
16 taxicabs and/or for-hire vehicles licensed under this chapter.

17 ~~((C.))~~ F. The regulatory licenses issued to for-hire drivers, for-hire vehicles, taxicabs,
18 ~~((and))~~ taxicab associations, and transportation network companies under this chapter shall be
19 suspended by the Director if the for-hire driver, for-hire vehicle, taxicab, ((or)) taxicab
20 association, or transportation network company does not maintain a required current business
21 license issued by The City of Seattle.

22 Section 7. Section 6.310.150 of the Seattle Municipal Code, last amended by Ordinance
23 123472, is amended as follows:

24 **6.310.150 Fees((r))**

25 ***

26 C. For-hire driver license:

Annual fee \$50

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

Late fee \$15

ID photo \$5

Fingerprinting Charge as determined by Director to cover costs

Replacement license \$5

Training class fee As determined by Director

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

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

Driver's License:

Annual vehicle endorsement fee...\$50

Change affiliation....\$20

Change vehicle....\$20

Change vehicle license plate...\$10

Late fee \$15

ID photo \$5

Fingerprinting Charge as determined by Director to cover costs

Replacement license \$5

Training class fee As determined by Director

E. Transportation network company:

Annual fee\$50,000 for the first year; for the second year and thereafter, either .35% of annual gross revenue or \$50,000, whichever is greater.

Section 8. Section 6.310.200, which was last amended by Ordinance 118341, is amended as follows:

((-SMC))6.310.200 Taxicab association ((--)) License application((-))

A. Any business or individual desiring to operate as a taxicab association within The City of Seattle shall file with the Director a signed and notarized taxicab association application, on forms approved by the Director. The application shall include the following information:

~~((4. A brief description of the uniform the applicant taxicab association proposes to require for drivers of affiliated taxicabs, which shall include full length pants (hemmed slack material), collared shirt, and shoes. The uniform may include the option to wear shorts in the summer, provided that the shorts extend no higher than two inches (2") above the kneecap and are of a similar color and pattern to the uniform full length pants. Further, the uniform may be modified in individual cases as necessary to (1) avoid interfering with the for-hire driver's religious beliefs, and/or (2) accommodate the for-hire driver's disability or disabilities;))~~

((5))4. The name, address, phone number and date of birth of the taxicab association representative;

((6))5. The taxicab number (assigned by the City/County) and the name of each taxicab vehicle owner that will be affiliated with the taxicab association;

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

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

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

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

6.310.260 Transportation network company license eligibility and application

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

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

2. The license application shall include the following information:

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

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

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

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

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

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

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

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

g. Evidence that each vehicle affiliated with a transportation network company has insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident, at any time while active on the TNC dispatch system. This requirement may be met by either: 1) Providing an insurance policy or insurance binder meeting the requirements set by subsections 6.310.300(5)(a)-(d) and (6), demonstrating compliance with RCW 46.72 for each vehicle affiliated with a TNC; or 2) Providing an insurance policy or insurance binder demonstrating that the transportation network company has auto liability insurance that provides a minimum of \$1,000,000 per accident coverage for accidents involving a transportation network company driver and vehicle while active on the TNC dispatch system and meets state requirements per RCW 46.72.050. The Director may require a statement on Department of Licensing letterhead verifying that the policy meets state requirements. In addition, the Director shall review the insurance policy to determine that it

adequately protects the public. The insurance policy or insurance binder must be submitted to the Director and shall:

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

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

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

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

v. In the event the TNC driver fails to maintain personal auto insurance that covers commercial activity while active on the TNC dispatch system or commercial auto insurance or the TNC driver's insurer denies coverage for the claim, the transportation network company's auto insurance shall be exclusive and primary. In the event the limits of liability provided by the TNC driver's personal or commercial auto insurance are exhausted due to claim payment and/or settlement, the transportation network company's auto insurance will drop down over exhausted limits.

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

h. State of Washington for-hire certificate for each transportation network company driver.

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

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

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

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

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

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

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

D. A transportation network company license is valid for no more than one year. No transportation network company license may be renewed unless the renewal fee has been paid and all outstanding penalties assessed against the transportation network company and its affiliated drivers have been paid to the Director. The Director shall not renew the transportation network company license unless the Director determines that the transportation network company's continued operation is in the public interest. All denials of renewal applications must be set forth in writing, together with the reasons for denial. The written

1 denial shall be delivered either personally or by first class mail to the address provided by the
2 applicant on the license renewal application.

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

4 **6.310.265 Transportation network company (TNC) standards for license application or**
5 **renewal denial**

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

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

9 1. The applicant fails to submit proof of insurance as required by Section
10 6.310.260.

11 2. The applicant provides application dispatch services to anyone other than
12 TNC drivers meeting the requirements set forth in Section 6.310.452;

13 3. The applicant uses more than one application dispatch system;

14 4. The applicant leases, permits, or otherwise allows others to use its application
15 dispatch system;

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

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

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

22 8. The application is incomplete; and/or

23 9. Within three years of the date of application, the applicant, or any owner,
24 officer, director, managing partner, general partner or principal of the applicant, has had a bail
25 forfeiture, conviction or other final adverse finding for crimes of fraud, theft, larceny,
26 extortion, embezzlement, racketeering, Uniform Controlled Substances Act, prostitution,
27

1 alcohol and/or narcotics where the commission of such crime(s) involved a TNC, vehicle
2 affiliated with a TNC, or TNC driver.

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

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

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

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

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

19 **6.310.270 Transportation network company (TNC) operating responsibilities**

20 In addition to meeting the license application requirements set forth in Section
21 6.310.260, the TNC must:

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

23 1. Is open and personally staffed all business days between 9 a.m. and 5 p.m.
24 (Class A);

25 2. Has a toll-free business telephone number and toll-free passenger complaint
26 hotline that is answered during all hours that TNC drivers are operating. (Class A);
27

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

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

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

11 B. Ensure that only 150 TNC endorsed drivers may be active on the TNC dispatch
12 system at any given time. The data and records required to ensure compliance shall be
13 prescribed by rules adopted by the Director; (revocation and Class C)

14 Ensure that each TNC driver's vehicle is insured as required in Sections 6.310.260 and
15 6.310.452. (revocation and Class C);

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

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

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

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

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

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

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

9 J. Maintain insurance as required by Section 6.310.260, (Class C and revocation) and
10 maintain on file at the TNC's place of business proof of insurance required by Sections
11 6.310.260 and 6.310.452. (Class A);

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

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

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

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

24 1. Service Information Reports. Submit quarterly, in a form approved by the
25 Director, the monthly total of paid trips and daily operating hours for each TNC driver and
26 vehicle (Class A);
27

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

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

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

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

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

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

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

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

1 P. Notify the Director within two working days of the TNC having knowledge of the
2 following:

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

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

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

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

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

16 Q. Notify the Director within five working days of any change in the affiliation status of
17 a TNC driver or vehicle, including any TNC driver joining the TNC, and any suspension,
18 termination, nonrenewal or revocation of a TNC driver's for-hire license or TNC vehicle
19 endorsement. (Class A);

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

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

24 T. Employ a zero tolerance drug and alcohol policy with respect to TNC drivers as
25 follows:

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

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

7
8 U. Allow passengers to indicate whether they require a wheelchair-accessible vehicle or
9 a vehicle otherwise accessible to individuals with disabilities. On January 1, 2015 and biannually
10 on June 1 and January 1 thereafter, each TNC shall submit to the Director a report detailing the
11 number and percentage of their customers who requested accessible vehicles, and how often the
12 TNC was able to comply with requests for accessible vehicles, and a description of any instances
13 or complaints of unfair treatment or discrimination of persons with disabilities. This report shall
14 be made public by the Director. This report shall be used by the Director to determine what, if
15 any, regulations need to be amended or adopted to ensure that TNCs are accessible to, and do not
16 discriminate against persons with disabilities, (Class B),
17

18 V. Review criminal background checks on every TNC driver and maintain records
19 thereof. Drivers convicted of any traffic and/or criminal offense directly bearing on the driver's
20 fitness including but not limited to theft, fraud, robbery, burglary, assault, sex crimes, alcohol,
21 drugs, or prostitution shall not be permitted to provide TNC services. (Class B)
22

23 W. Review driving records of TNC drivers and maintain records thereof. Drivers with
24 convictions for any alcohol or drug related offense, reckless driving, hit and run, or driving with
25 a suspended or revoked license shall not be permitted to provide TNC services. (Class B)
26
27
28

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

(revocation and Class C)

1. Foot brakes (check stopping: at 20 mph, a vehicle must be capable of stopping within 25 feet);

2. Emergency brakes (engine stall test);

3. Steering mechanism;

4. Windshield (no chips or cracks larger than one inch);

5. Rear window and other glass (no chips or cracks larger than one inch);

6. Windshield wipers;

7. Headlights;

8. Tail lights;

9. Turn indicator lights;

10. Stop lights;

11. Front seat adjustment mechanism;

12. Doors (open, close, lock);

13. Horn;

14. Speedometer;

15. Bumpers;

16. Muffler and exhaust system;

17. Condition of tires, including tread depth;

18. Interior and exterior rear view mirrors; and

19. Safety belts and air bags for driver and passenger(s).

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

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

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

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

BB. TNCs shall provide a written insurance disclosure to TNC drivers. The written insurance disclosure must include the following: the TNC driver's personal auto insurance policy may not provide any insurance coverage when one is driving for a commercial purpose; therefore, the TNC driver may need to consider buying a commercial auto policy. In the event of an accident the insurance provided by the transportation network company may not provide any, or sufficient, insurance coverage for all matters, including but not limited to the TNC driver's bodily injuries, TNC driver's vehicle damage, and the TNC driver's legal defense costs. The written insurance disclosure must be signed by the TNC driver.

Section 12. A new Section 6.310.275 to Seattle Municipal Code is adopted, as follows:

6.310.275 Transportation network company (TNC) transfers in the interest of a transportation network company

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

5 Section 13. A new Section 6.310.325 is added to the Seattle Municipal Code as follows:

6 **6.310.325 Vehicles affiliated with a transportation network company (TNC) vehicle**
7 **operating requirements**
8

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

- 11 A. The vehicle is a taxicab or for-hire vehicle licensed under this chapter, or the
12 vehicle has a TNC vehicle endorsement.
13
14 B. Affiliated with a licensed transportation network company;
15
16 C. Affiliated with a driver with a for-hire driver's license;
17
18 D. The vehicle has insurance coverage as required by section 6.310.260;
19
20 E. Passed the 19-point vehicle inspection as required by subsection 6.310.270.X;
21 except for for-hire vehicles and taxicabs licensed under this chapter; and
22
23 F. The vehicle model year can be no more than seven years prior to the license date.

24 Section 14. A new Section 6.310.327 is added to the Seattle Municipal Code as follows:

25 **6.310.327 Transportation network company (TNC) vehicle endorsement eligibility and**
26 **application**
27

28 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

1 vehicle endorsement, and shall obtain a TNC vehicle endorsement within 90 days of submitting
2 the applications; provided that a person with a for-hire driver's license who has any ownership
3 interest in a licensed for-hire vehicle or taxicab is not eligible to obtain a TNC vehicle
4 endorsement. Failure to obtain a TNC vehicle endorsement within this timeframe, for any reason
5 other than delay caused by the City, prohibits any person from lawfully operating as a driver for
6 a TNC with a personal vehicle. Driving without a TNC vehicle endorsement is unlawful per
7 Section 6.310.130, subject to penalties pursuant to Section 6.310.600.
8

9 B. The TNC vehicle endorsement is not valid and effective until and unless the driver
10 obtains a for-hire driver's license under this chapter. The for-hire driver's application process is
11 governed by Section 6.310.400.
12

13 C. To be eligible to apply for a TNC vehicle endorsement the following is required:

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

16 2. The applicant does not have any ownership interest in a licensed for-hire
17 vehicle or taxicab licensed; (denial of endorsement) and
18

19 3. The vehicle is personal and not a for-hire vehicle or taxicab licensed under this
20 chapter. (denial of endorsement)

21 D. To apply for the TNC vehicle endorsement, the applicant shall complete, sign, swear
22 to and file with the Director a TNC vehicle endorsement application on forms provided by the
23 Director to include the following information:

24 1. Name, aliases, residence and business address, residence and business
25 telephone numbers;
26
27

2. Place and date of birth which shall be at least 21 years prior to the date of application, height, weight, color of hair and eyes;

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

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

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

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

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

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

9. Such other information as may be reasonably required by regulation promulgated under this chapter.

10. The above application and information must also be completed and supplied during any annual license renewal.

Failure to meet any of these requirements within this timeframe, for any reason other than delay caused by the City, shall result in the denial of the issuance of the TNC vehicle endorsement. All denials or revocations of TNC vehicle endorsement applications must be set forth in writing, together with the reasons for denial or revocation. The written denial shall be

delivered either personally or by first class mail to the address provided by the applicant on the license renewal application.

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

1. Vehicle identification number (VIN);
2. Registered owner's full legal name;
3. License plate number;
4. Expiration date; and
5. Unique certificate number that will correspond with the TNC vehicle endorsement sticker affixed to the for-hire driver's license.

F. The TNC vehicle endorsement is inseparable from the for-hire driver's license and the lease, transfer or assignment of the vehicle endorsement is prohibited.

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

6.310.328 Transportation network company (TNC) vehicle endorsement standards for denial

A. The Director shall deny any TNC vehicle endorsement application if the Director determines that:

1. The applicant has failed to submit a complete, satisfactory application pursuant to SMC Section 6.310.327;
2. The applicant has failed to affiliate with a licensed TNC;
3. The applicant has made any material misstatement or omission in the application for an endorsement;

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

3 5. Within three years of the date of application, the applicant has had a
4 conviction, bail forfeiture or other final adverse finding of criminal fraud, larceny, theft,
5 prostitution, extortion, racketeering, robbery, or violation of the Uniform Controlled Substances
6 Act where such crime involved the use of the endorsed vehicle.
7

8 B. The Director may deny any TNC vehicle endorsement application if the Director
9 determines that:

10 1. Within five years of the date of application, the applicant has had a conviction,
11 bail forfeiture, or other final adverse finding involving crimes reasonably related to the
12 applicant's ability to operate a for-hire business, including but not limited to prostitution,
13 gambling, fraud, larceny, extortion, income tax evasion;
14

15 2. Within two years of the date of application, the applicant has been found,
16 either through a criminal conviction, bail forfeiture or other final adverse finding (including in a
17 civil suit or administrative proceeding) to have exhibited past conduct in driving or operating a
18 for-hire vehicle for-hire business which would lead the Director to reasonably conclude that the
19 applicant will not comply with the provisions of the chapter related to vehicle requirements and
20 the safe operation of the vehicle;
21

22 3. Within two years of the date of application, the applicant has engaged in the
23 business of operating any taxicab or for-hire vehicle within The City of Seattle without a current
24 valid license from The City of Seattle;
25

26 4. Within twelve months of the date of application, the applicant has violated
27

King County or Port of Seattle ordinance or regulation pertaining to the operation of taxicabs while in those jurisdictions, if such violation would constitute grounds for license revocation or denial if occurring within the City; and/or

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

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

6.310.329 TNC vehicle endorsement expiration and renewal

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

B. TNC driver must renew the TNC vehicle endorsement every year. No TNC vehicle endorsement may be renewed unless all outstanding penalties assessed against the for-hire driver of the endorsed vehicle are paid in full to the Director.

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

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

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

1 K. A wheelchair accessible taxicab licensee must personally drive the vehicle a minimum
2 of thirty hours per week for at least forty weeks per year for a period of three years following the
3 date of issuance of a new wheelchair taxicab license (wheelchair taxicab license revocation). If a
4 licensee fails to fulfill the minimum use requirement in any one year period within the three year
5 period following the date of issuance, the license shall be subject to revocation. Wheelchair
6 taxicab licensees shall submit original trip sheets to the Director on a monthly basis, in a manner
7 prescribed by Director's rule, to prove compliance with the minimum use requirement. For
8 purposes of this paragraph, "licensee" or "licensees" refers to individual licensees, single sole-
9 shareholders of a licensed corporation, or single members of a licensed limited liability
10 company. This subsection shall take effect and be in force retroactively as of the effective date
11 of this ordinance. (Class A, if trip sheets are submitted late; wheelchair taxicab license
12 revocation, if trip sheets are falsified or not in compliance).
13
14

15 ***

16 N. After December 31, 2007, new taxicab licenses shall be issued to single individuals
17 only, and no corporation, limited liability company, or partnership shall obtain any license held
18 by an individual until the expiration of a period of five ~~((5))~~ years following the original date of
19 issuance to the individual licensee currently holding the license; ~~((provided, however))~~ except
20 that throughout subsection 6.310.330(N), wheelchair accessible taxicab licenses, provided they
21 were not issued for 2006-2008 demonstration projects, are not transferable until the expiration of
22 a period of three years following the original date of issuance, provided further, however, that
23 new taxicab licenses may be issued to and be held by the following business entities:
24
25
26
27

1 1. Corporations held by a single shareholder provided that the taxicab must be
2 personally operated by the single shareholder for a period of five years from the date of issuance
3 of the license and the ownership of the shares of the corporation cannot be changed within the
4 five-year period. Any change of ownership of shares of the corporation shall result in revocation
5 of the license.

6 2. Limited liability companies comprised of a single member provided that the
7 taxicab must be personally operated by the single member for a period of five years from the
8 date of issuance of the license and no change of membership may take place within the five-year
9 period. Any change of membership of the limited liability company shall result in revocation of
10 the license.

11 For a period of five (~~((5))~~) years following the date of issuance of a new taxicab license,
12 all new taxicab licensees must personally drive the taxicab for a minimum use requirement of
13 (~~((thirty (30)))~~) 30 hours per week for a minimum of (~~((forty (40)))~~) forty weeks per year (taxicab
14 license revocation). If a licensee fails to fulfill the minimum use requirement in any one year
15 period within the five year period following the date of issuance, the license shall be subject to
16 revocation. Taxicab licensees shall submit original trip sheets to the Director on a monthly basis,
17 in a manner prescribed by Director's rule, to prove compliance with the minimum use
18 requirement. For purposes of this paragraph, "licensee" or "licensees" refers to individual
19 licensees, single sole-shareholders of a licensed corporation, or single members of a licensed
20 limited liability company. (Class A, if trip sheets are submitted late; taxicab license revocation, if
21 trip sheets are falsified or not in compliance).

1 3. At the time of the transfer of any taxicab license occurring after August 1,
2 2008, the transferor(s) and transferee(s) of the license shall report to the Director the amount of
3 consideration, if any, paid by the transferee to the transferor in exchange for the transfer of the
4 license. The amount of consideration shall be reported in a manner determined by rule
5 promulgated by the Director. The failure to report, or the reporting of false information, shall be
6 grounds for suspension or revocation of the license. In creating and maintaining records of the
7 amount of consideration paid, the Director shall not identify the transferees and transferors, nor
8 shall the Director require the submission of any records that identify the transferees and
9 transferors.
10

11 4. The Director shall conduct a survey of taxicab licensees to determine the
12 market value of taxicab license transfers that have occurred from January 1, 1991 through
13 August 1, 2008. All licensees shall respond in good faith to the survey to provide accurate
14 information to the extent reasonably possible (Class A). Responses to the survey shall be made in
15 such manner determined by ~~((rule))~~ rule promulgated by the Director. In creating and maintaining
16 records of the amount of consideration paid, the Director shall not identify the transferees and
17 transferors, nor shall the Director require the submission of any records that identify the
18 transferees and transferors.
19
20

21 5. This subsection shall take effect and be in force retroactively as of the effective
22 date of this ordinance.

23 ***

24 Section 18. Section 6.310.340 of the Seattle Municipal Code, last amended by Ordinance
25 122763, is amended as follows:
26
27

6.310.340 Taxicab and for-hire vehicle—License transfer.

A for-hire vehicle or taxicab license may be transferred subject to the following restrictions and/or conditions:

A. New taxicab licenses issued after December 31, 2007 are not transferable for a period of five ~~((5))~~ years from the original date of issuance~~((:))~~, except that wheelchair accessible taxicab licenses, provided they were not issued for 2006-2008 demonstration projects, are not transferable for a period of three years from the original date of issuance. This subsection shall take effect and be in force retroactively as of the effective date of this ordinance.

Section 19. Section 6.310.415 of the Seattle Municipal Code, last amended by Ordinance 121738, is amended as follows:

~~((SMC))~~ 6.310.415 For-hire driver training program~~((:))~~

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

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

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

3 2. The Director has reasonable grounds, based on documented complaints and/or
4 violations, to believe that a refresher course is necessary (suspension).

5 ~~((C. A for-hire driver must complete a separate training session and written test on for-~~
6 ~~hire driver personal safety within three (3) months from the date of issuance of the initial license.~~
7 ~~The Director shall set forth the requirements of the training program by rule (suspension).))~~

8 ~~((D))~~C. A for-hire driver who operates a wheelchair accessible taxicab must successfully
9 complete a separate training program for the special needs of passengers in wheelchairs,
10 including but not limited to, loading and tie-down procedures and door-to-door service as
11 prescribed in rule by the Director (Class C).
12

13 Section 20. Section 6.310.420 of the Seattle Municipal Code, last amended by Ordinance
14 121738, is amended as follows:
15

16 **6.310.420 For-hire driver written and oral examination((:))**

17 A. The Director shall prescribe the content of the examination, which must test the
18 applicant's:
19

20 1. Knowledge of taxicab, for-hire vehicle, transportation network company
21 vehicle endorsement and for-hire driver requirements contained in applicable codes and
22 regulations;

23 2. Ability to speak and understand oral and written English sufficient for fulfilling
24 the minimum acceptable standards for a taxicab, for-hire vehicle and/or for-hire driver;
25

26 3. Knowledge of vehicle safety requirements;
27

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

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

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

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

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

Section 21. A new Section 6.310.452 is added to the Seattle Municipal Code as follows:

6.310.452 TNC driver operating, conduct, and passenger relations standards

In addition to meeting the for-hire operating standards set forth in Section 6.310.450, the
TNC drivers must meet the following operating, conduct, and passenger relations standards:

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

6 B. TNC drivers shall not be in control of a for-hire vehicle for more than 12 hours spread
7 over a total of 15 hours in any 24-hour period. Thereafter, such TNC driver shall not drive any
8 for-hire vehicle until ten consecutive hours have elapsed. For the purposes of this subsection,
9 hours driven in for-hire vehicles in other platforms (taxicabs, for-hire vehicles) are aggregated.
10 (suspension and Class B);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 S. TNC drivers shall, at the end of each trip, check the vehicle for any article(s) that are
5 left behind by passenger(s). Such articles are to be reported as found property, and such property
6 is to be returned to a transportation network company representative as soon as is practicable
7 (Class A);
8

9 T. TNC drivers shall have in the driver's possession a valid Washington State driver's
10 license, a valid for-hire driver's license, and documentation that they are affiliated with a
11 licensed TNC at any time the TNC driver is active on the TNC dispatch system.(suspension and
12 Class B);
13

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

16 V. TNC drivers shall operate his or her vehicle with due regard for the safety, comfort
17 and convenience of passengers (Class B for safety violations; Class A for nonsafety violations);
18

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

21 X. TNC drivers shall not knowingly permit his or her vehicle to be used for the illegal
22 solicitation, transportation, or sale, or any other activity related to illegal drugs (revocation and
23 Class C);
24
25
26
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28

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

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

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

7 1. The TNC driver has already been dispatched on another call; or

8 2. The TNC driver arrives at the place of pick-up and upon arrival the passenger is
9 acting in a disorderly or threatening manner, or otherwise is acting in a manner that would cause
10 a reasonable person to believe that the TNC driver's health or safety, or that of others, may be
11 endangered;
12

13 BB. TNC drivers shall not refuse to transport any passenger's wheelchair which can be
14 folded and placed in either the passenger, driver, or trunk compartment of the vehicle; an assist
15 dog or guide dog to assist the disabled or handicapped; or groceries, packages or luggage when
16 accompanied by a passenger (Class B).
17

18 CC. A TNC driver shall not operate a wheelchair accessible for-hire vehicle unless the
19 for-hire driver has successfully completed the special training requirements set forth in
20 subsection 6.310.415.D (Class C and revocation).
21

22 Section 22. Section 6.310.465 of the Seattle Municipal Code, which Section was last
23 amended by Ordinance 122763, is amended as follows:

24 **6.310.465 For-hire driver((---))Passenger relations standards((--))**
25
26
27
28

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

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

6 ~~((C. A for hire driver's clothes shall be neat and clean at all times that the driver is on the~~
7 ~~driver's shift. The term "neat and clean" as it relates to clothes shall mean that all clothing is~~
8 ~~clean, free from soil, grease and dirt and without unrepaired rips or tears. Drivers shall not wear~~
9 ~~as an outer garment any of the following: undershirt or underwear, tank tops, body shirts (see-~~
10 ~~through mesh), swimwear, jogging or warm-up suits or sweatshirts or similar attire, shorts or~~
11 ~~trunks (jogging or bathing), sandals, or any similar clothing. Summer uniforms can include~~
12 ~~Bermuda shorts (hemmed slack material) that extend down to within two (2) inches of the top of~~
13 ~~the knee cap. (Class A).))~~

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

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

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

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

3 ((H)) E. A for-hire driver shall not refuse to transport in the taxicab or for-hire vehicle
4 any passenger's wheelchair which can be folded and placed in either the passenger, driver, or
5 trunk compartment of the taxicab or for-hire vehicle, an assist dog or guide dog to assist the
6 disabled or handicapped, groceries, packages or luggage when accompanied by a passenger
7 (Class B).
8

9 ((I)) F. A for-hire driver shall provide each passenger a taximeter receipt upon payment
10 of the fare (Class A).

11 ((J)) G. A for-hire driver shall use the most direct available route on all trips unless the
12 passenger specifically requests to change the route (Class B).
13

14 ((K)) H. A for-hire driver shall not permit any person or pet to ride in the taxicab or for-
15 hire vehicle unless that person or pet accompanies, or is in the vehicle at the request of, a fare-
16 paying individual. This requirement shall not apply to ((uniformed)) driver trainees (Class A).
17

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

19 1. The for-hire driver has already been dispatched on another call;
20 2. The for-hire driver arrives at the place of pick-up and upon arrival the
21 passenger is acting in a disorderly or threatening manner, or otherwise is acting in a manner that
22 would cause a reasonable person to believe that the for-hire driver's health or safety, or that of
23 others, may be endangered;

24 3. The passenger cannot, upon request, show ability to pay the fare; or
25
26
27

4. The passenger refuses to state a specific destination upon entering the taxicab
(Class B).

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

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

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

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

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

Section 23. Section 6.310.470 of the Seattle Municipal Code, which Section was last
amended by Ordinance 122763, is amended as follows:

6.310.470 For-hire driver soliciting and cruising standards((,))

A. Taxicabs((,))

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

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

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

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

B. For-hire ((V))vehicles((.))

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

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

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

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

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

Section 24. Section 6.310.500 of the Seattle Municipal Code, which Section was last amended by Ordinance 122763, is amended as follows:

6.310.500 Taxicabs((—))((M))maximum number((.))

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

15 B. The number of for-hire vehicle licenses in effect at any one ~~((4))~~ time shall not
16 exceed ~~((two hundred))~~ ~~((6))~~ 200((9)). Except that if the State Legislature authorizes cities to
17 regulate executive sedans and executive vans, as defined in RCW 46.04.274, then executive
18 sedans and executive vans licensed by the Department of Licensing on the authorization date
19 which meet City vehicle standards would be allowed to obtain for-hire vehicle licenses, and such
20 for-hire vehicle licenses shall not be included in the calculation of total number of for-hire
21 vehicle licenses pursuant to this subsection. TNC vehicle endorsements issued per Section
22 6.310.327 shall not be included in the calculation of total number of for-hire vehicles licenses
23 pursuant to this subsection.

24 C. The Director may, at the Director's discretion, issue wheelchair accessible taxicab
25 licenses to special service vehicles used to provide transportation to disabled persons defined in
26 KCC 6.64.010 or to handicapped persons as defined in ~~((SMC))~~ Section 6.310.110. These
27

1 licenses shall be non-transferable for a period of ~~((five (5)))~~ three years from the date of issuance
2 and shall not be included in calculating the maximum number of taxicab licenses allowable
3 pursuant to subsection A. The Director may issue temporary and nontransferable wheelchair
4 accessible taxicab licenses to individual for-hire drivers selected by King County for a
5 demonstration project to determine the economic feasibility of the long term issuance of such
6 licenses. This subsection shall take effect and be in force retroactively as of the effective date of
7 this ordinance.

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

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

15 2. Pursuant to a lottery of qualified applicants; or

16 3. Pursuant to a combination of both procedures as prescribed by rule adopted by
17 the Director. The rule shall include minimum qualifications for taxicab license applicants,
18 including but not limited to the driving and conduct records of prospective applicants.

19 E. The Director shall issue 100 additional taxicab licenses in 2014. The Director shall
20 issue 100 additional taxicab licenses again in 2015. Each of these issuances shall be done
21 pursuant to the methods described in subsection 6.310.500.D. To be eligible for the issuance of
22 these new taxicab licenses, an applicant must either: 1) have no ownership interest whatsoever in
23 a licensed for-hire vehicle or licensed taxicab, or 2) relinquish any ownership interest in a
24 licensed for-hire vehicle or licensed taxicab prior to and as a condition of the issuance of the new
25 license.

6.310.530 Rates((.))

F. For-hire ((V))vehicle ((R))rates((τ)).

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

52

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

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

14 ~~((G-))~~H. The rates specified in this section shall not apply to transportation of persons
15 provided pursuant to a written contract which establishes a fare at a different rate for specified
16 transportation and has been previously filed with the Director; provided, that no contract may
17 include any provision the effect of which is to directly or indirectly require exclusive use of the
18 transportation services of the contracting taxicab or for-hire vehicle.

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

24 ~~((I-))~~J. The Director is authorized to approve a temporary fuel surcharge to be added to
25 the taxicab meter rate, or the flat rate for trips from the downtown hotel district to Seattle-
26

1 Tacoma International Airport, any time the price of fuel, as published by the American
2 Automobile Association, exceeds a fuel surcharge trigger price established pursuant to an
3 administrative rule adopted by the Director. The surcharge shall be an amount necessary to
4 recoup the increased fuel costs.

5 ((J))K. The Director is authorized to temporarily suspend the flat rate from the
6 downtown hotel district to Seattle-Tacoma International Airport when conditions exist at the
7 airport or elsewhere that result in an average increase of ten (((10))) minutes to the normal trip
8 time and are beyond the control of the drivers. Examples of such conditions would be vehicle
9 security checks at the airport or major construction projects on Interstate 5 or State Route 99 that
10 delay traffic.
11

12 ((K))L. The Director shall specify by rule how tolls or charges established for roads,
13 bridges, tunnels or ferries shall be charged to taxicab or for-hire vehicle passengers and shall
14 prescribe required signage for the vehicles for such purposes.
15

16 Section 26. A new Section 6.310.540 is added to the Seattle Municipal Code as follows:

17 **6.310.540 King County-only business service contracts**
18

19 A. This chapter does not apply to for-hire drivers with valid King County for-hire
20 driver's licenses operating for-hire vehicles or taxicabs with valid King County-only licenses
21 pursuant to a business service contract, provided that:

22 1. The for-hire drivers have proof that they are operating the for-hire vehicle
23 pursuant to a business service contract;

24 2. The business service contract is on file with the Director; and,
25
26
27
28

3. In any 180-day period no more than 30% of all trips, regardless of origin, by a County-only licensed vehicle operating under the terms of a business service contract originate in the City of Seattle.

B. Each and every party to a business service contract shall provide the Director such data as the Director deems necessary as prescribed by rule to ensure compliance with this section.

C. Any failure to meet the requirements of this subsection is a violation of 6.310.130. Section 27. Section 6.310.600 of the Seattle Municipal Code, which Section was last amended by Ordinance 121857, is amended as follows:

6.310.600 Penalties((-))

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

1. As contemplated by RCW 7.80.160, a person who, after receiving a notice of civil infraction that includes a statement of the options provided in RCW Chapter 7.80 for responding to the notice and the procedures necessary for exercising these options, knowingly fails to exercise one of the options within 15 days of the date of the notice is guilty of a misdemeanor subject to the provisions of Chapters 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, regardless of the disposition of the notice of civil infraction. A person who willfully fails to pay a monetary penalty or perform community service as ordered by a court may be found in contempt of court as provided in RCW Chapter 7.21.

2. An action for a civil infraction shall be initiated and processed in the manner contemplated by RCW Chapter 7.80 and the Infraction Rules for Courts of Limited Jurisdiction. For purposes of RCW 7.80.040, the "enforcement officer" authorized to enforce the provisions of

subsections 6.310.130.A and 6.310.130.B and 6.310.452.A are: (1) the Director of the Seattle Department of Finance and Administrative Services and authorized representatives or assistants of him or her; and (2) a commissioned officer of the Seattle Police Department and a person issued a Special Police Officer Commission by the Chief of Police with authority to enforce this title.

B. A subsequent violation of subsections 6.310.130.A, 6.310.130.B or 6.310.452.A within five years of the prior violation is a misdemeanor subject to the provisions of Chapters 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)))~~ \$1,000, or by imprisonment for a term not to exceed ~~((ninety (90)))~~ 90 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)))~~ \$1,000, or by imprisonment for a term not to exceed ~~((ninety (90)))~~ 90 days, or by both such fine and imprisonment.

Section 28. 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
-----------	---	--

1. Violations ((F))found ((D))during a ((C))calendar ((Y))year ((A))away from The City((s)) of Seattle's ((F))inspection ((F))facility((:))

First Class A in one year	\$35((-00))	2
Second Class A in one year	\$70((-00))	3
Third or more Class A violation in one year	\$120((-00))	4
First Class B violation in one year	\$70((-00))	4
Second Class B violation in one year	\$175((-00))	7
Third or more Class B violation in one year	\$300((-00))	10
All Class C violations	\$1,000((-00))	20

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

Failure to appear for inspection scheduled by the Director (see Section 6.310.330 I and paragraph	\$50	2 penalty points
---	------	------------------

below)		
Class A violation found during inspection at City's inspection facility	Vehicle reinspection fee. See fee schedule in Section 6.310.150	2 each violation
Class B violation found during inspection at City's inspection facility	Vehicle reinspection fee. See fee schedule in Section 6.310.150	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)) cannot 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 <u>or transportation network company</u> with which the taxicab and/or for-hire driver is affiliated at the time the violation occurs.		
B. Taxicab ((A)) association <u>or transportation network company</u> ((V)) violations ((D)) during a ((C)) calendar ((Y)) year ((:))		
Violation	Penalty Points Against Taxicab Association <u>or Transportation</u> 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)))~~ \$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 vehicle, on average, it must pay an additional penalty to the Director of ~~((One Hundred Fifty Dollars (\$150)))~~ \$150 per affiliated taxicab or for-hire vehicle. As soon as an association or TNC accumulates more than ten ~~((10))~~ points per affiliated taxicab or for-hire vehicle, on average, it must pay an additional penalty to the Director of ~~((Two Hundred Fifty Dollars (\$250)))~~ \$250 per affiliated taxicab or for-hire vehicle. For purposes of this subsection, average number of penalty points per affiliated taxicab or for-hire vehicle means total association penalty points divided by number of taxicabs or for-hire vehicles within the association or TNC. (The Director will compute the number of taxicabs or for-hire vehicles within the association or TNC by averaging the number of taxicabs or for-hire vehicles in the association or TNC (rounded up) at the beginning of the year and the number of cabs or for-hire vehicles at the end of each completed quarter, i.e., March 31st, June 30th, etc.). If an association or TNC has exceeded the average amount of penalty points as outlined above, the penalty will be due as of the end of the current quarter. The association or TNC may ask for a hearing with the Director concerning the assessment of such penalty. At such hearing the association or TNC will present any evidence to refute or mitigate ~~((the))~~ its performance~~((of the association))~~. After the hearing, the Director may impose the penalty, reduce the penalty, or with just cause waive the penalty and put the

association or TNC on probation with specific performance guidelines. If the association or TNC does not meet the guidelines imposed, the Director will impose the penalty. In any case, the Director's decision is final.

Upon renewal of the taxicab association or TNC license, the association or TNC will start the new year with zero ((0)) penalty points.

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

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

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

Section 29. Section 6.310.610 of the Seattle Municipal Code, which Section was last amended by Ordinance 122763, is amended as follows:

6.310.610 Suspension or revocation((-))

C. Revocation ((S))standards

3. Transportation network companies (TNC)

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

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

ii. The TNC, or any owner, officer, director, managing partner, general partner or principal of the TNC, receives a bail forfeiture, conviction or other final adverse finding involving crimes directly related to the applicant's ability to operate a TNC, including but not limited to prostitution, gambling, fraud, larceny, extortion, income tax evasion. If an owner, officer, director, managing partner, general partner or principal of the TNC found in violation of this subsection is (a) removed immediately from all operational or management

1 duties or authority and (b) is divested of all ownership in the TNC as soon as possible, the

2 license may be reinstated;

3 iii. The TNC allows more than 150 TNC endorsed drivers to be
4 active on the TNC dispatch system at any given time;

5 iv. An affiliated vehicle is active on the TNC dispatch system that
6 has not been inspected by an approved third party as required by 6.310.270;

7 v. Has failed to meet the insurance requirements outlined in
8 Section 6.310.260;

9 vi. An affiliated driver is active on the TNC dispatch system
10 without personal and commercial vehicle insurance;

11 vii. Fails to pay all penalties imposed by the Department that are
12 either not contested or are upheld after review; or

13 viii. The TNC has committed one Class C violations in any one
14 year period.

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

16 TNC:

17 i. Dispatches to an unlicensed or unaffiliated driver;

18 ii. Dispatches to an unaffiliated vehicle;

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

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

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

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

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

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

((3))4. Taxicab and ((F))for-hire ((V))vehicle ((L))licenses((-))

((4))5. For-hire ((D))driver's ((L))licenses((-))

a. The Director shall revoke a for-hire driver's license if:

i. The for-hire 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 a taxicab or for-hire vehicle; or

ii. The for-hire driver's Washington State driver's license expires or is revoked; or

iii. The for-hire driver has committed one ~~((4))~~ Class C violations
in any one ~~((4))~~ year period.

b. The Director may revoke a for-hire driver's license if:

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

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

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 Class C violations in any
one 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 system 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;

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

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

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

1. Summary ((S))suspension or ((R))revocation. Whenever any license or TNC vehicle endorsement is summarily suspended or revoked the suspension or revocation is effective

1 upon issuance of the notice. Such notice may be appealed pursuant to the procedures of Section
2 6.310.635. If a timely appeal is not filed by the licensee or TNC driver, the notice of summary
3 suspension or revocation shall be final. Such summary suspension shall extend until any
4 administrative or judicial appeal is finally concluded in the licensee's or TNC driver's favor, until
5 the license or endorsement expires, or until evidence satisfactory to the Director is produced
6 showing that the violation is cured, whichever occurs first. Summary revocations shall extend
7 until the end of the annual license or endorsement period or until any administrative or judicial
8 appeal is finally concluded in the licensee's or TNC driver's favor, whichever occurs first.
9

10 2. Suspension or ((R))revocation. If the licensee or TNC driver does not file a
11 timely appeal pursuant to Section 6.310.635, the notice of suspension or revocation shall be final.
12 Suspensions or revocations become effective upon the date any notice of suspension or
13 revocation or order on appeal affirming such notice becomes final. Unless a time period is
14 specified in a particular section of the ordinance codified in this chapter, suspensions shall
15 extend until the license or endorsement expires or until evidence satisfactory to the Director is
16 produced showing that the violation is cured, whichever occurs first. Revocations shall extend
17 until the end of the annual license or endorsement period.
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20 3. Except in the case of a summary suspension or revocation as provided in
21 subsection 6.310.610.D.1 above, whenever a timely appeal is filed pursuant to Section
22 6.310.635, a licensee or TNC driver may continue to engage in the activity for which the license
23 or endorsement is required pending a final decision on appeal.
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Section 30. Section 6.310.635 of the Seattle Municipal Code, which Section was last amended by Ordinance 121738, is amended as follows:

6.310.635 Notice and hearing for denials, violations, suspensions and revocations((-))

A. For each violation, and for each denial, suspension or revocation, the Director shall give written notice to the affected licensee. If the affected licensee is a taxicab driver, the Director shall at the same time give written notice of violations to the taxicab licensee and the taxicab association. If the affected licensee is a transportation network company driver, the Director shall at the same time give written notice to the transportation network company. If the affected licensee is a taxicab licensee, the Director shall at the same time give written notice of violations to the taxicab association. All notices directed to a taxicab driver or taxicab licensee may be served by personal delivery to, or by first-class mail addressed to, the taxicab association.

B. Any notice of denial, violation, suspension or revocation, other than a summary suspension or revocation pursuant to ((Section)) subsection 6.310.610.A, shall state that the driver, taxicab or for-hire vehicle licensee, transportation network company and/or taxicab association is entitled to a hearing to respond to the notice and introduce any evidence to refute or mitigate the violation. Upon written request, submitted by the person named on the violation, filed within ten (((40))) calendar days after the date of the notice of denial, violation, suspension or revocation, the Director shall set a hearing date and time to be held as soon as possible and not more than (((thirty-(30)))) 30 calendar days from the date of the request or the next business day after that if the thirtieth day falls on a weekend or holiday.

1 C. Any notice of summary suspension or revocation pursuant to ~~((Section))~~ subsection
2 6.310.610.A and 6.310.610.D.1, shall state that the driver, taxicab or for-hire vehicle licensee,
3 transportation network company and/or taxicab association is entitled to a hearing to respond to
4 the notice and introduce any evidence to refute or mitigate the violation. Upon written request,
5 submitted by the person named on the violation, filed within ten ~~((10))~~ calendar days after the
6 date of the notice of the summary suspension or revocation, the Director shall set a hearing date
7 and time to be held as soon as possible and not more than seven ~~((7))~~ calendar days from the
8 date of the request or the next business day after that if the seventh day falls on a weekend or
9 holiday. The Director shall render a decision affirming or reversing the summary suspension or
10 revocation within three ~~((3))~~ business days after the conclusion of the hearing.

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

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

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

11 G. If the Director's decision imposes or affirms a denial, suspension or revocation,
12 including summary suspension or revocation, any affected licensee may appeal the entire
13 decision to the Hearing Examiner by filing a notice of appeal with the Hearing Examiner within
14 ten ~~((10))~~ days after the date of mailing of the decision. Decisions of the Director imposing a
15 monetary penalty only, pursuant to subsection D, shall not be appealable to the Hearing
16 Examiner.
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18 ***
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20 Section 31. The Department of Finance and Administrative Services shall issue a report
21 to City Council regarding the transportation network company pilot program by no later than
22 September 30, 2015. The report shall include an assessment of taxi industry trips and revenue,
23 the percentage of taxi industry trips that are dispatched on any platform, the response times for
24 any companies in the dispatch market, the locations of rejected rides by any companies in the
25 dispatch market, the financial burdens of drivers across the different platforms, any available
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1 data about driver experiences and driver migrations across platforms, collisions, driver
2 violations, rates, and customer satisfaction rates and complaints.

3 Section 32. Without further action taken by City Council, the transportation network
4 company pilot program will automatically continue.

5 Section 33. This ordinance shall take effect and be in force 30 days after its approval
6 by the Mayor, but if not approved and returned by the Mayor within ten days after
7 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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1 Passed by the City Council the ____ day of _____, 2014, and signed by
2
3 me in open session in authentication of its passage this ____ day of _____,
4 2014.

5
6
7 _____
8 President _____ of the City Council

9 Approved by me this ____ day of _____, 2014.
10

11
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13 _____
14 Edward B. Murray, Mayor

15 Filed by me this ____ day of _____, 2014.
16

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18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)
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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 CTRI budget		50,000	Using existing CTRI 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: