

Taxi, For-Hire, Limousine Regulations Committee

Proposed Amendments for Discussion

2/27/2014

Council Bill 118036

- New Bill title to align with decisions made at the 2/14/14 meeting.
- Reflect decisions made at the 2/14/14 meeting.
- Correct errors.

This is the base Bill the Committee will work from today.

AMENDMENTS FOR CONSIDERATION

LAW/COMMITTEE STAFF CLARIFICATIONS – GENERAL

1. Eligibility for a TNC endorsement (1)

As a reminder, the TNC endorsement created at the last meeting allows a driver with a FH driver's license to use a personal vehicle for hire. The current language allows FH drivers with up to a 50% share of an existing FHV license to enter the lottery for the endorsements. It is unclear if this was the Committee's intent. (Note, this is a separate issue from the lottery for new taxi licenses. In that case owners may enter the lottery but must relinquish ownership if successful.)

Options:

- a) Leave the language as is; or
- b) Amend page 31, beginning line 8 as follows:
"... provided that a person with a for-hire driver's license who has any 50% or more ownership interest ..."

Option B makes clear these TNC endorsements are pursuable by existing FH

drivers, but intended for drivers who do not already own a taxi or flat-rate car or share thereof.

Chair's recommendation: Option B

2. Eligibility for a TNC endorsement (2)

The preceding decision notwithstanding, the current language would allow persons owning a King County-only licensed vehicle to enter the lottery for an endorsement. It is unclear if this was the Committee's intent.

Options:

- a) Leave the language as is; or
- b) Amend page 31, line 10 as follows:

"...interest in a licensed for-hire vehicle or taxicab ~~licensed under this chapter~~ is not eligible to obtain ..."

Option B would preclude FH drivers who already own a King County-licensed taxi or flat-rate car from gaining an endorsement, again prioritizing non-taxi-owning drivers for the endorsements allowing use of a personal vehicle.

Chair's recommendation: Option B

3. Insurance

The current language requires that TNCs provide evidence that affiliated vehicles have commercial insurance as required by RCW 46.72.050 (\$100,000 per person/\$300,000 per incident personal injury liability plus \$25,000 property damage liability) and underinsured motorist coverage in the same amounts as required by the City. This is the current requirement for taxis and for-hires operating in the City.

The proposed regulations allow the TNCs to accomplish this in one of two ways: (i) by the driver/operators acquiring insurance just as taxi and for-hire operators do now, or (ii) by demonstrating that the combination of a driver's personal insurance and the TNC's umbrella policy meets the same requirement. However, there is one small difference in this case: if the TNC goes this route it must also provide uninsured motorist coverage. This is more than is required of taxis and for-hires now and it is possible this was an error.

Options:

- a) Leave the language as is; or
- b) Amend page 20, line 4 as follows:
“vi. Provides ~~uninsured~~/underinsured motorist coverage for bodily ...”

Chair’s recommendation: Option B

4. Penalty for picking up passengers without a FH license

Currently, the first violation 6.310.130.A, 6.310.130.B, or 6.310.452.A is a criminal offense punishable by up to 90 days in jail and a \$1,000 fine. This Bill makes first violations a civil offense punishable by a fine of up to \$1,000. This would mean a \$1,000 fine for operating as a for-hire driver without the proper license. The provision was in the draft regulations presented to the Committee on 12/13/13 but was not discussed. The Committee may want to consider a different monetary penalty.

Options:

- a) Leave the amount as is; or
- b) Amend page 52, line 7 to change the \$1,000 amount to \$_____.

Chair’s recommendation: Option A. Operating without appropriate licensing—and by implication without proper insurance coverage—should be treated as a serious offense.

REVISED PROPOSED AMENDMENTS FROM LAST MEETING

5. Number of New Taxi Licenses

The current language directs FAS to issue 75 new taxi licenses in 2014 and 75 in 2015. CM Bagshaw proposes to increase that to 100 each year.

Options:

- a) Leave the language as is; or
- b) Amend page 47, line 19 as follows:
"... however, no more than ((35)) 75 100 licenses can be issued within a calendar year."

And amend page 49, line 5

"E. The Director shall issue ~~75~~ 100 additional taxicab licenses in 2014. The Director shall issue ~~75~~ 100 additional taxicab licenses again in 2015."

Chair's recommendation: Option B

6. Focusing Driver Training

CB 118036 already amends the training section of the current code (SMC 6.310.415) to focus it more squarely on safety and customer service (see page 37, lines 6 to 16). CM Clark proposes the following amendment to improve that focus.

Options:

- a) Amend page 37, line 15 as follows:
"... and ~~appearance~~ professional conduct and communication skills." or
- b) Leave the language as is.

Chair's recommendation: Option A

7. KC vehicles picking up fares in Seattle under contract

CM Burgess proposes removing language in the Bill that would change the existing code to allow vehicles licensed only in the County to pick up a fare in the City if they have a written business service contract with an employer to do so.

CM Harrell proposes amending the language in the Bill to limit the potential abuse of the concession to County-only vehicles to pick up fares in the city under a business service contract.

Options:

- a) Leave the language as is; or
- b) Amend the language on page 6, beginning line 8 as follows (*remove provision*):

~~“Business service contract” means a written contract between a for-hire driver or a for-hire driver’s representative and a business entity authorizing the for-hire driver to pick up passengers at the business entity’s place of business.~~

And further amend the language on page 12, beginning line 25 as follows:

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

OR

- c) Amend the language on page 6, beginning line 8 as follows (*amend provision*):

“Business service contract” means a written contract between a for-hire driver or a for-hire driver's representative and a business entity authorizing the for-hire driver to pick up passengers at the business entity's place of business- and requiring the parties to the contract to provide the Director such data as the Director deems necessary to ensure compliance with 6.310.120. “

And further amend the language in 6.310.120 on page 12, beginning line 24 as follows:

“This chapter applies to all taxicab associations, all taxicabs, all for-hire vehicles and all for-hire drivers operating within The City of Seattle. This chapter does not apply to for-hire drivers with valid King County for-hire driver's licenses operating for-hire vehicles with valid King County only for-hire vehicle's licenses that have proof that they are operating the for-hire vehicle pursuant to a

business service contract on file with the Director, **provided that 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.”**

CAPS: WHETHER TO CAP, HOW TO CAP, AND FOR HOW LONG

8. Cap the number of drivers active on a TNC at any given time

As currently formulated, CB 118036 caps the number of TNC endorsements that may be issued by FAS (by lottery) at 300. The endorsements allow a FH driver to operate his or her personal vehicle for hire.

CM O'Brien proposes raising the cap to 400.

CM Clark proposes amending the Bill to cap the number of *drivers active at any one time on each TNC network instead of capping the number of endorsements*. She proposes capping the number of drivers active for each TNC at 200 during the first year of the pilot and providing discretion to the Director to adjust the cap either up or down at the end of the first year (see next amendment).

Both CMs Rasmussen and Bagshaw propose that there be no cap on the number of TNC endorsements or the number of drivers active on a TNC network.

Options C and D below would require modifications to the Council Bill. If the Committee adopts either, Committee Staff suggests that Staff and Law work to develop the necessary language before the Bill is acted on by the Full Council.

Options:

- a) Leave the language as is (cap of 300 TNC endorsements);
- b) Amend the language on page 31, line 16 as follows:
 "B. Three-Four hundred TNC vehicle endorsements ..."
- c) Amend the language to limit the number of drivers active on a TNC network to 200 and remove the cap on the number of TNC endorsements; or
- d) Amend the language to remove the cap on the number of TNC endorsements and add language to allow the Director to halt the issuance of new endorsements and/or renewal of expiring endorsements if there are concerns about public safety or consumer protection.

9. Cap Adjustment

As noted in the previous amendment, CM Clark proposes giving the Director discretion to raise, lower, or remove the cap at the end of the first year of the pilot based on criteria essentially the same as those currently envisioned for the imposition of a moratorium.

Options:

- a) Do not include specific authority for the Director to adjust the cap at the end of the first year; or
- b) Amend page 4, beginning line 24 as follows:

"At the end of the first year of the pilot program, or earlier with explicit legislative authority from the Council, ~~the~~ the Director may ~~issue a moratorium suspending the issuance~~ adjust the cap on the number of TNC vehicle endorsements ~~or TNC licenses up or down or remove the cap entirely~~ upon finding that ~~the continued issuance of TNC vehicle endorsements or TNC licenses threatens such action will enhance~~ raises substantial consumer ~~service~~ without raising consumer protection or public safety concerns. ~~protection concerns~~. In making such a finding the Director ~~may~~ shall consider, but is not limited to considering: consumer complaints, the stability of the market for taxi and for-hire transportation services, consumer demand for transportation services, and the financial viability of transportation service providers. The Director shall notify the Council in writing at least 60 days in advance of the intention to exercise authority under this section to adjust or remove the cap and the reasons for doing so. ~~Where the issuance of TNC vehicle endorsements or TNC licenses has been suspended pursuant to this subsection, the suspension shall last no more than 180 days."~~

Chair's recommendation: Option B

10. Sunset provision

If the pilot were to *sunset*, the TNCs and their drivers would no longer have access to the licensing provisions envisioned here and they (and their drivers) would be operating outside of the law and subject to citation for doing so. The other provisions of the Ordinance not related to the regulation of TNCs would continue to be in force.

Currently the Bill would have the pilot program *sunset* on June 30, 2016 automatically unless the Council takes specific action to extend it. CM Rasmussen proposes that the program not sunset but continue automatically and that the Director report back to the Council after 12 months. If circumstances indicated that the City should step back from allowing TNCs to operate in the city, the Council could take separate action at any time.

Options:

- a) Leave the language as is; or
- b) Amend page 3, beginning line 16 as follows:
“... City Council will assess the benefits and any negative unintended consequences of the pilot program by no later than ~~December 31, 2015~~ June 1, 2015. The review of the pilot program shall include an assessment of taxi industry trips and revenue, If no further action is taken by City Council, the program will automatically continue ~~sunset on June 30, 2016~~.”

And amend page 66, line 14 as follows:

“Without further action taken by City Council, the transportation network company pilot program will automatically continue ~~sunset on June 30, 2016~~.”

Chair’s recommendation: Option B

NEW ITEMS

11. Moratorium

CM O'Brien proposes to amend the section on issuance of a moratorium to clarify certain elements.

Options:

- a) Leave the language as is; or
- b) Amend page 4, beginning line 15 as follows:

"The Director may issue a moratorium suspending the issuance of TNC vehicle endorsements ... In making such a finding the Director ~~may shall~~ consider, ... financial viability of transportation service providers. **The Director shall notify the Council in writing at least 10 days in advance of the Director's intention to exercise authority under this subsection and the reasons for doing so. At six month intervals between enactment of this ordinance and the end of the pilot, the Director shall issue a report to the relevant Council committee with regulatory oversight of the taxi, for-hire, limousine, and TNC industry elaborating the Department's findings in accordance with this section.** Where the issuance of TNC vehicle endorsements or TNC licenses has been suspended pursuant to this subsection, the suspension shall last no more than 180 days."

12. Wheelchair accessible taxi license vesting

Under the recently revised language, wheelchair accessible taxicab licenses holders must drive for at least 30 hours per week for at least 40 weeks per year for five years before they can cease driving and lease the vehicle fulltime. CM Licata proposes to reduce that to three years.

Options:

- a) Leave the language as is; or
- b) Amend the language on page 36, line 15 as follows:

"... per year for a period of ~~three~~ **five** years following the ..."

And

Amend the language on page 36, line 17 as follow:

"... in any one year period within the ~~five~~three year ..."

13. Insurance provider grade

CM O'Brien proposes to lower the grade of insurance providers FH operators are required to use from the current A- VII level.

Options:

- a) Leave the language as is; or
- b) Amend the language on page 19, line 15 as follows:
"... Best Rating of not less than B+~~A-~~ VII; provided however ..."