



PROPOSED INITIATIVE PETITION SUBMITTAL RECEIPT

Initiative No. 120

On May, 22 at 11:13 a.m./p.m., I filed one paper and one electronic copy of a proposed Initiative Petition with the Seattle City Clerk.

Signed Megan Hoffman

Megan Hoffman
Print Name

CITY CLERK ACKNOWLEDGEMENT OF RECEIPT

Date/Time Stamp:

FILED
CITY OF SEATTLE
2014 MAY 22 AM 11:13
CITY CLERK

[Signature]
Received by (City Clerk)



Suite 2200
1201 Third Avenue
Seattle, WA 98101-3045

James A. Greenfield
206.757.8055 tel
206.757.7055 fax

jimgreenfield@dwt.com

May 22, 2014

Ms. Monica Martinez Simmons
City Clerk
The City of Seattle
600 Fourth Avenue, Floor 3
Seattle, WA 98124-4728

Re: Transportation Network Companies Initiative 2

Dear Ms. Simmons:

On behalf of Seattle Citizens to Repeal Ordinance 124441, an organization of registered voters of the City of Seattle, I transmit to you two (2) printed copies of the full text of a proposed initiative measure regarding transportation network companies, drivers, and services. This initiative differs from the proposed initiative on a similar subject I transmitted to you on May 16, 2014 (Initiative Measure 119) and differs from the proposed initiative on a similar subject I am also transmitting to you today (TNC Initiative 3). I have previously delivered a Word version copy of this TNC Initiative 2 to you electronically by email.

Please consider me the appropriate contact for petitioners. My mailing address and phone number for contacting me about this petition are:

1201 Third Avenue, Suite 2200
Seattle, Washington 98101-3045
(206) 757-8055

I look forward to receiving notification of your completed review of the proposed initiative. In the meantime, please do not hesitate to contact me if I can provide additional information or answer any questions.

Very truly yours,

Davis Wright Tremaine LLP

James Greenfield
(M.H.)

James A. Greenfield

Enclosures

DWT 24170991v1 0096932-000010

Anchorage	New York	Seattle
Bellevue	Portland	Shanghai
Los Angeles	San Francisco	Washington, D.C.

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www.dwt.com

INITIATIVE PETITION FOR SUBMISSION TO THE SEATTLE CITY COUNCIL

To the City Council of The City of Seattle:

We, the undersigned registered voters of The City of Seattle, State of Washington, propose and ask for the enactment as an ordinance of the measure known as Initiative Measure No. __ entitled:

[established ballot title of measure]

a full, true and correct copy of which is included herein, and we petition the Council to enact said measure as an ordinance, and, if not enacted within forty-five (45) days from the time of receipt thereof by the City Council, then to be submitted to the qualified electors of The City of Seattle for approval or rejection at the next regular election or at a special election in accordance with Article IV, Section 1 of the City Charter; and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of The City of Seattle, State of Washington, and my residence address is correctly stated.

<i>Your signature won't count unless you print and sign your name <u>clearly!</u></i>		Address where you are REGISTERED TO VOTE		
Petitioner's Signature		Printed Name	Residence Address Street & Number	Date Signed
<small>SAMPLE</small>	<i>John Smith</i>	JOHN SMITH	<i>Your Street Address</i>	<i>Date</i>
1	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
2	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
3	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
4	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
5	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
6	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
7	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
8	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
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11	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
12	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
13	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
14	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed
15	Sign as registered to vote.	Print your name clearly.	Street address where you are registered to vote.	Date Signed

WARNING

Ordinance 94289 provides as follows:

Section 1. It is unlawful for any person:

1. To sign or decline to sign any petition for a City initiative, referendum, or Charter amendment, in exchange for any consideration or gratuity or promise thereof; or
2. To give or offer any consideration or gratuity to anyone to induce him or her to sign or not to sign a petition for a City initiative, referendum, or Charter amendment; or
3. To interfere with or attempt to interfere with the right of any voter to sign or not to sign a petition for a City initiative, referendum, or Charter amendment by threat, intimidation or any other corrupt means or practice; or
4. To sign a petition for a City initiative, referendum, or Charter amendment with any other than his or her true name, or to knowingly sign more than one (1) petition for the same initiative, referendum, or Charter amendment measure, or to sign any such petition knowing that he or she is not a registered voter of The City of Seattle.

Section 2. Any person violating any of the provisions of this ordinance shall upon conviction thereof be punishable by a fine of not more than Five Hundred Dollars (\$500) or by imprisonment in the City Jail for a period not to exceed six (6) months, or by both such fine and imprisonment.

The full text of the proposed initiative measure is printed on the reverse side of the petition.

CITY OF SEATTLE
INITIATIVE MEASURE NO. _____

AN ORDINANCE repealing Ordinance 124441 and adding a new chapter defining transportation network companies, drivers, and services, creating qualifications for drivers, requiring background checks for drivers, prohibiting pick up of street hails by drivers, requiring transportation network companies to conduct background checks, inspect vehicles, establish zero tolerance policies for drugs and alcohol, pay an annual license fee and a per trip surcharge to the Department of Finance and Administrative Services, maintaining insurance for drivers, creating provisions for charging for services; creating a Seattle Accessible Transportation Fund into which a portion of the surcharge shall be deposited and amending Chapter 5.76 of the Seattle Municipal Code accordingly; imposing penalties for violations; requiring review of penalties and training standards for for-hire vehicles; and revising various Sections of Chapter 6.310 of the Seattle Municipal Code regarding for-hire vehicles.

NOW, THEREFORE,
BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. City of Seattle Ordinance 124441 is repealed in its entirety.

Section 2. A new section 6.311.100 is added to the Seattle Municipal Code as follows:

6.311.100. Purpose. The purpose of this chapter is to ensure the safety, reliability and cost-effectiveness of Transportation Network Company (TNC) services within the City of Seattle and to preserve and enhance access to these important transportation options for residents and visitors to the City.

Section 3. A new section 6.311.120 is added to the Seattle Municipal Code as follows:

6.311.120. Definitions.

A. For the purposes of this chapter, the term:

1. "Transportation network company (TNC)" means an entity licensed under this chapter and operating in the City of Seattle that uses a digital network or software application to connect a passenger to transportation network company services provided by a transportation network company driver. A transportation network company is not a taxicab association or a for-hire vehicle owner licensed under SMC chapter 6.310.

2. "Transportation network company (TNC) driver" shall mean an individual who operates a motor vehicle that is:

- a. Owned, leased or otherwise authorized for use by the individual;
- b. Not a for-hire vehicle under SMC chapter 6.310; and
- c. Used to provide transportation network company services.

3. "Transportation network company (TNC) services" shall mean transportation of a passenger between points chosen by the passenger and prearranged with a TNC driver through a TNC digital network or software application. TNC services begin when a TNC driver accepts a requested ride through the TNC's digital network or software application, continue while the TNC driver transports the passenger in the TNC driver's vehicle, and end when the passenger exits the TNC driver's vehicle.

B. Unless the context plainly requires otherwise, the definitions in SMC section 6.310.110 apply to terms not otherwise defined in this chapter.

Section 4. A new section 6.311.140 is added to the Seattle Municipal Code as follows:

Section 6.311.140. TNC license required.

A. It is unlawful to operate as a transportation network company within the City of Seattle without a valid TNC license issued under this chapter.

B. The Director shall create an application process for a TNC license that ensures compliance with section 6.311.180.

C. The annual license fee for a TNC license shall be \$10,000 plus a surcharge of 10 cents per trip as described in section 6.311.180.A.4. Of the surcharge amounts paid, five cents per trip shall be deposited by the Director in the Seattle Accessible Transportation Fund as described in section 6.311.240.

Section 5. A new section 6.311.160 is added to the Seattle Municipal Code as follows:

Section 6.311.160. TNC driver applications.

A. In order for an individual to become a TNC driver, a TNC shall require the individual to submit an application to the TNC. The application shall require the individual to provide information regarding his or her address, age, drivers license, driving history, motor vehicle registration and motor vehicle insurance, and other information required by the TNC.

B. Before approving an application submitted under subsection A of this section, a TNC shall:

1. Conduct, or have a third party approved by the Director conduct, a local and national criminal background check for each applicant that includes a check of national databases specified by the Director;

2. Conduct, or have a third party conduct, a driving record check with the Department of Licensing for each applicant;

3. Provide, or have a third party provide, driver training approved by the Director for each applicant that includes information on defensive driving, enhancement of driver/passenger relations, and professional conduct; and

4. Perform, or have a third party perform, the 19 point vehicle inspection required under section 6.311.180.A.3 on each applicant's vehicle to be used to provide TNC services.

C. A TNC shall not approve an application submitted under subsection A of this section and shall disqualify an applicant or TNC driver who:

1. Has made any material misstatement or omission in the application;
2. Fails to meet any of the qualifications of a TNC driver contained in section 6.311.200;
3. Fails to complete the driver training required by section 6.311.160.B.3;
4. Does not possess a vehicle that has satisfactorily passed the 19 point vehicle inspection required by section 6.311.180.A.3;
5. Has had 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 vehicle, within seven (7) years of the date of application;
6. Has had a bail forfeiture, conviction, or other final adverse finding for severe driving violations pertaining to reckless driving or driving on a suspended or revoked license;
7. Is required to register as a sex offender pursuant to RCW 9A.44.130; or
8. Fails to meet any other qualification requirements established by the TNC.

D. Nothing in this section limits the authority of a TNC to reject an application based on the TNC's policy, provided such policy is consistent with all applicable law.

Section 6. A new section 6.311.180 is added to the Seattle Municipal Code as follows:

6.311.180. Requirements for transportation network companies.

A. A transportation network company shall:

1. Create an application process that complies with section 6.311.160 for a person to apply to become a TNC driver;

2. Maintain a website that includes the TNC's toll-free customer service telephone number and electronic mail address;

3. Conduct, or have a third party conduct, an annual safety inspection of the motor vehicle that a TNC driver will use to provide TNC services, and maintain complete documentation of such inspections. The safety inspection shall cover the following equipment:

- a. Foot brakes (check stopping: at 20 mph, a vehicle must be capable of stopping within 25 feet);
- b. Emergency brakes (engine stall test);
- c. Steering mechanism;
- d. Windshield (no chips or cracks larger than one inch);
- e. Rear window and other glass (no chips or cracks larger than one inch);
- f. Windshield wipers;
- g. Headlights;
- h. Tail lights;
- i. Turn indicator lights;
- j. Stop lights;
- k. Front seat adjustment mechanism;
- l. Doors (open, close, lock);
- m. Horn;
- n. Speedometer;
- o. Bumpers;
- p. Muffler and exhaust system;
- q. Condition of tires, including tread depth;
- r. Interior and exterior rear view mirrors; and
- s. Safety belts and air bags for driver and passenger(s);

4. Pay a surcharge to the Director in the amount of 10 cents per completed trip originating in Seattle. For purposes of this section, a trip that involves two or more stops shall be considered a single completed trip. A TNC shall transmit any surcharges accumulated during a calendar quarter to

the Director within 30 days following the end of the quarter, along with a certification under penalty of perjury that the amount transmitted is consistent with the number of completed trips arranged through the TNC during such quarter; provided, that any information disclosed to the Director shall be subject to SMC section 5.55.200.B;

5. Maintain on the TNC driver's behalf, or verify that each TNC driver maintains, a liability insurance policy or policies that:

a. Provide coverage of at least \$1,000,000 per accident for accidents while the TNC driver is providing TNC services, regardless of whether the TNC driver maintains a personal insurance policy adequate to cover any portion of a claim;

b. Provide uninsured/underinsured motorist coverage of at least \$100,000 per person and at least \$300,000 per accident for bodily injury resulting from accidents while the TNC driver is providing TNC services; and

c. During the time that a TNC driver is logged into the TNC's digital network or software application, but the TNC driver is not providing TNC services, provide contingent liability coverage of at least \$50,000 per person and at least \$100,000 per accident, and at least \$25,000 for property damage per accident, in the event that a TNC driver's personal insurance policy validly denies coverage under the terms of the TNC driver's personal insurance;

6. Provide TNC drivers with information about the insurance described in section 6.311.180.A.5 that is maintained by the TNC.

7. Allow TNC services using the TNC's digital network or software application to be provided only by TNC drivers approved by the TNC.

8. Establish a zero-tolerance policy on the use of drugs or alcohol while a TNC driver is logged into the TNC's digital network or software application or is providing TNC services and enforce the policy as follows:

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

b. The TNC's website and mobile application must include a phone number, website link, and email address to report a zero-tolerance complaint to the TNC, as well as the phone number and email to report a zero-tolerance complaint to the Seattle Consumer Affairs department;

9. Establish a complaint procedure that allows passengers to file complaints with the TNC through the TNC's website, mobile application, email address, or phone number.

10. Require that TNC drivers do not accept cash payments from passengers. Any payment shall be made only electronically using the TNC's digital network or software application;

11. Require that TNC drivers do not pick up street hails or otherwise solicit trips, or take trips not prearranged with the TNC driver through the TNC's digital network or software application;

12. Allow passengers to view a picture of the TNC driver and vehicle license plate number on their smart phone, tablet or other mobile device before the passenger enters the TNC driver's vehicle;

13. Maintain records relevant to the requirements of this chapter for the purposes of demonstrating compliance;

14. Require that TNC drivers do not discriminate against passengers or potential passengers on the basis of geographic endpoints of the ride, race, color, national origin, religious belief or affiliation, sex, disability, age or sexual orientation/identity;

15. Provide passengers with access to a website link or option on the TNC's digital network or software application that allows a passenger to request an accessible vehicle for passengers with disabilities;

16. Conduct a criminal background check and driving record check pursuant to section 6.311.160.B1 and B2 for each TNC driver on an annual basis; and

17. Submit to the Director proof that the TNC maintains a registered agent in the City of Seattle.

Section 7. A new section 6.311.200 is added to the Seattle Municipal Code as follows:

6.311.200. Requirements for TNC Drivers.

A. A TNC driver shall:

1. Possess a valid driver's license;

2. Possess proof of registration for the motor vehicle used for TNC services;

3. Possess proof of motor vehicle insurance for the motor vehicle used for TNC services;

4. Be at least 21 years of age;

5. Adhere to standards for TNC drivers required by the TNC, including standards described in section 6.311.180.A.8, A.10, A.11, and A.14; and

6. Immediately inform the TNC of any change in the TNC driver's driving record, drivers license status, motor vehicle registration, motor vehicle insurance, or criminal record.

B. If an accident occurs involving a motor vehicle that is being used for TNC services, the TNC driver shall provide information to the other parties involved in the accident regarding all insurance covering the TNC driver's motor vehicle and shall notify the TNC of the accident.

Section 8. A new section 6.311.220 is added to the Seattle Municipal Code as follows:

6.311.220. Rates.

A. A transportation network company must make information about its rate structure publicly available. The rate structure shall also describe how tolls or charges established for roads, bridges, tunnels or ferries, if any, shall be charged to passengers.

B. A rate quote or calculation shall be provided to the passenger upon request before the passenger enters the TNC driver's vehicle.

C. Upon completion of a trip, a TNC shall transmit an electronic receipt to the passenger's email address or mobile application.

Section 9. A new section 6.311.240 is added to the Seattle Municipal Code as follows:

6.311.240. Seattle Accessible Transportation Fund.

A. There is hereby created within the City Treasury the Seattle Accessible Transportation Fund into which shall be deposited or transferred a portion of the surcharge amounts paid to the Director pursuant to section 6.311.180.A.4 equal to five cents per trip. The Director shall use funds in the Seattle Accessible Transportation Fund to support access to safe and reliable transportation options for underserved populations, including but not limited to low income and handicapped persons and persons living in underserved portions of the city. The Table of Funds in SMC chapter 5.76 shall be amended accordingly.

Section 10. A new section 6.311.260 is added to the Seattle Municipal Code as follows:

6.311.260. Violations, monetary penalties, and procedures.

A. Violations of this chapter by the TNC shall be subject to penalties including monetary penalties and license revocation. The Director shall adopt by rule the classifications of violations of this chapter by the TNC, the monetary penalties that may be assessed against the TNC for such violations, and the procedures for assessing such monetary penalties. Such classifications, monetary penalties, and procedures shall be comparable to those provided in SMC section 6.310.125 and 6.310.605. The rule may allow for revocation of a TNC's license in the event the TNC engages in a pattern or practice of repeated violations of safety requirements or other serious violations of this chapter.

Section 11. 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(8))

A. Taxicabs(8))

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(8))

~~((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).))~~

Section 12. The Department of Finance and Administrative Services shall issue a report to City Council recommending revisions in the structure and amounts of penalties applicable to for-hire vehicles and the training standards for for-hire vehicle drivers in SMC chapter 6.310 within 90 days of the effective date of this ordinance. The Department shall consult with stakeholders regarding such revisions. The Department shall recommend revisions to these provisions of SMC chapter 6.310 to reflect the current economic environment in which for-hire vehicles operate while continuing to protect public safety, and to make such provisions comparable to those applicable to transportation network companies.



**Legislative Department
Office of City Clerk
Memorandum**

Date: May 22, 2014
To: Pete Holmes, City Attorney
From: Scott Cline, Acting City Clerk 
Subject: Notification of Proposed Initiative 120 Submittal

Please find attached Clerk File No. 313817, which contains proposed Initiative Measure No. 120, a proposed initiative relating to transportation network companies, drivers, and services.

The proposed initiative was filed with the Office of the City Clerk on Thursday, May 22, 2014, at 11:13 a.m. The proposed initiative is being transmitted to you for preparation of a ballot title pursuant to Article IV, Section 1.B of the City Charter and Seattle Municipal Code, Section 2.08. The proposed initiative measure has the following contact information: James A. Greenfield, 1201 Third Avenue, Suite 2200, Seattle, Washington 98101-3045; Phone number 206-757-8055; Email address jimgreenfield@dwt.com.

Thank you for your attention to this matter. If I may assist in any way, please contact me at 684-8146.

Attachment (CF 313817)

cc: Mayor Murray
City Councilmembers
Wayne Barnett, Executive Director Seattle Ethics and Elections Commission



**City of Seattle Legislative Department
Office of the City Clerk**

Monica Martinez Simmons, City Clerk

Via E-mail and USPS

May 30, 2014

Sherril Huff, Director
King County Elections
919 Southwest Grady Way
Renton, WA 98057-2906

Subject: Proposed Initiative Measure No. 120

Dear Ms. Huff:

Please be advised that the proposed subject initiative petition was filed as Clerk File No. 313817 on Thursday, May 22, 2014. This initiative petition has been designated Initiative Measure No. 120 and concerns regulating transportation network companies and for-hire entities.

The Seattle City Attorney's Office has provided the following ballot title:

**THE CITY OF SEATTLE
INITIATIVE MEASURE NUMBER 120**

The City of Seattle Initiative Measure Number 120 concerns regulating Transportation Network Companies ("TNCs,") and SMC 6.310 for-hire entities.

If enacted, the measure would repeal Ordinance 124441; impose TNC license fees of \$10,000 plus \$.10 per ride surcharge, (surcharge partly supports underserved population transportation); require TNCs or third-parties to conduct driver background/driving record checks, vehicle inspections, and training; require liability insurance of \$1,000,000/accident while drivers provide TNC services (\$50,000/person, \$100,000/accident, \$25,000 property damage while on network, but not providing TNC services); impose operating requirements and TNC penalties; give for-hire vehicles solicitation rights, require City recommendations on for-hire regulation revisions.

Should this measure be enacted into law?

Yes

No

Those in favor shall vote "Yes;" those opposed shall mark their ballots "No."

[End of Title]

600 4th Avenue Floor 3, PO Box 94728, Seattle, Washington 98124-4728
(206) 684-8344 Fax: (206) 386-9025 TTY: (206) 233-0025
email: clerk@seattle.gov

Accommodations for people with disabilities provided upon request. An equal opportunity employer

Sherril Huff
May 30, 2014
Page 2

The initiative's proponents have been informed that the minimum number of resident registered voter signatures required is 20,638 and shall be filed in accordance with the guidelines provided by the City Clerk's office and no later than Wednesday, November 26, 5:00p.m., for subsequent submittal to your office for verification of sufficiency of signatures.

Should you have any questions or if you need additional information, please do not hesitate to contact me at (206) 684-8361 or email monica.simmons@seattle.gov.

Sincerely,



Monica Martinez Simmons
City Clerk

cc: Mayor Edward Murray
City Councilmembers
Peter Holmes, City Attorney
Wayne Barnett, Executive Director, SEEC