Title: AN ORDINANCE relating to taxicab, transportation network company, and for-hire vehicle drivers; amending Section 6.310.110 of the Seattle Municipal Code; adding a new Section 6.310.735 to the Seattle Municipal Code; and authorizing the election of driver representatives.

Notes: Waiting to bring forward after budget.

Sponsors: Licata, O'Brien

Attachments:
   Drafter: jodee.schwinn@seattle.gov

Date
Filed with City Clerk:
Mayor's Signature:
Vetoed by Mayor:
Veto Overridden:
Veto Sustained:

Filing Requirements/Dept Action:

History of Legislative File

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Motion was made by Councilmember O'Brien, duly seconded and carried, to amend CB 118499 by substituting Version 5 for Version 4.

**ACTION 2:**

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend CB 118499 by substituting Version 6 for Version 5.

**ACTION 3:**

Motion was made and duly seconded to pass the Bill as amended.

In Favor: 8 Council President Burgess, Councilmember Gedden, Councilmember González, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

4 City Clerk 12/16/2015 submitted for Mayor's signature

Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor

Notes:

4 Mayor 12/23/2015 returned unsigned

Action Text: The Council Bill (CB) was returned unsigned.

Notes:

4 Mayor 12/23/2015 returned City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk

Notes:

4 City Clerk 12/23/2015 attested by City Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.
December 23, 2015

Honorable Tim Burgess, President
Seattle City Council
600 4th Avenue, Floor 2
Seattle, WA 98104

Dear Council President Burgess,

I am transmitting Council Bill 118499 without my signature, understanding that it will become law.

The tremendous growth of Transportation Network Companies (TNCs) in Seattle, both in terms of popularity and the number of trips, demonstrates that this new business model is changing how people move around the city. These companies are providing valuable new tools for city residents and innovating at a tremendous pace.

I said consistently during this debate that I support the right of workers to organize to create a fair and just workplace. I remain concerned that this ordinance, as passed by the Council, includes several flaws, especially related to the relatively unknown costs of administering the collective bargaining process and the burden of significant rulemaking the Council has placed on City staff. My office has shared my concerns with the Council throughout the debate.

As this ordinance takes effect, my administration will begin its work to determine what it will take to implement the law. I believe it will be necessary to seek additional clarifying legislation from the Council. I look forward to working with councilmembers in 2016 on their ordinance.

Sincerely,

Edward B. Murray
Mayor, City of Seattle

cc: Honorable Members of the Seattle City Council
Monica Martinez Simmons, City Clerk
CITY OF SEATTLE

ORDINANCE 124968

COUNCIL BILL 118499

AN ORDINANCE relating to taxicab, transportation network company, and for-hire vehicle
drivers; amending Section 6.310.110 of the Seattle Municipal Code; adding a new
Section 6.310.735 to the Seattle Municipal Code; and authorizing the election of driver
representatives.

WHEREAS, the state of Washington, in Revised Code of Washington 46.72.001 and 81.72.200,
has authorized political subdivisions of the state to regulate for-hire drivers and for-hire
transportation services without facing liability under federal antitrust laws; and

WHEREAS, allowing taxicab, transportation network company, and for-hire vehicle drivers
(“for-hire drivers”) to modify specific agreements collectively with the entities that hire,
direct, arrange, or manage their work will better ensure that they can perform their
services in a safe, reliable, stable, cost-effective, and economically viable manner and
thereby promote the welfare of the people; and

WHEREAS, the new responsibilities for the Department of Finance and Administrative Services
(FAS) contemplated in this legislation will require additional resources; and

WHEREAS, the Director of FAS has authority to adjust fees to cover the cost of the regulatory
functions FAS performs on behalf of the public; and

WHEREAS, should this legislation go into effect, the Director may exercise that authority to
raise additional revenue through fees to cover the additional costs; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Findings
A. In order to protect the public health, safety and welfare, The City of Seattle is granted express authority to regulate for-hire and taxicab transportation services pursuant to Chapters 46.72 and 81.72 RCW. This authority includes regulating entry, requiring a license, controlling rates, establishing safety requirements, and any other requirement to ensure safe and reliable transportation services.

B. Seattle Municipal Code (SMC) Chapter 6.310 is an exercise of The City of Seattle's power to regulate the for-hire and taxicab transportation industry. SMC Chapter 6.310, in subsection 6.310.100.A, states: “Some of its regulatory purposes are to increase the safety, reliability, cost-effectiveness, and the economic viability and stability of privately-operated for-hire vehicle and taxicab services within The City of Seattle.”

C. The purpose of this ordinance is to ensure safe and reliable for-hire and taxicab transportation service pursuant to RCW 46.72.160 and RCW 81.72.210, respectively, and to exercise the City’s authority to regulate for-hire transportation pursuant to RCW 46.72.001, which states: “The legislature finds and declares that privately operated for hire transportation service is a vital part of the transportation system within the state. Consequently, the safety, reliability, and stability of privately operated for hire transportation services are matters of statewide importance. The regulation of privately operated for hire transportation services is thus an essential governmental function. Therefore, it is the intent of the legislature to permit political subdivisions of the state to regulate for hire transportation services without liability under federal antitrust laws.” RCW 81.72.200, governing taxicab transportation, has a similar statement of legislative intent.

D. As the City is acting under specific state statutory authority, it is immune from liability under antitrust laws.
E. At present, entities that hire, contract with, or partner with for-hire drivers for the purpose of assisting them with, or facilitating them in, providing for-hire transportation services to the public establish the terms and conditions of their contracts with their drivers unilaterally, and may impose changes in driver compensation rates or deactivate drivers from dispatch services without prior warning or discussion. Terms and conditions that are imposed without meaningful driver input, as well as sudden and/or unilateral contract changes, may adversely impact the ability of a for-hire driver to provide transportation services in a safe, reliable, stable, cost-effective, and economically viable manner.

F. Unilateral terms and working conditions established and imposed without driver input by entities that hire, contract with, or partner with for-hire drivers, as well as sudden and/or unilateral changes in those terms and conditions, have resulted in driver unrest and transportation service disruptions around the country.

G. There is currently no effective mechanism for for-hire drivers to meaningfully address the terms and conditions of their contractual relationship with the entity that hires, contracts with, or partners with them. For-hire drivers lack the power to negotiate these issues effectively on an individual basis.

H. Business models wherein companies control aspects of their drivers’ work, but rely on the drivers being classified as independent contractors, render for-hire drivers exempt from minimum labor requirements established by federal, state, and local law.

I. Establishing a process through which for-hire drivers and the entities that control many aspects of their working conditions collectively negotiate the terms of the drivers’ contractual relationships with those entities will enable more stable working conditions and better ensure that drivers can perform their services in a safe, reliable, stable, cost-effective, and economically
viable manner, and thereby promote the welfare of the people who rely on safe and reliable for-
hire transportation to meet their transportation needs.

1. Drivers working under terms that they have negotiated through a collective
negotiation process are more likely to remain in their positions over time, and to devote more
time to their work as for-hire drivers, because the terms are more likely to be satisfactory and
responsive to the drivers’ needs and concerns. Such drivers accumulate experience that will
improve the safety and reliability of the for-hire transportation services provided by the driver
coordinator and reduce the safety and reliability problems created by frequent turnover in the for-
hire transportation services industry.

2. Establishing the drivers’ contractual terms through a collective negotiation
process will also help ensure that the compensation drivers receive for their services is sufficient
to alleviate undue financial pressure to provide transportation in an unsafe manner (such as by
working longer hours than is safe, skipping needed breaks, or operating vehicles at unsafe speeds
in order to maximize the number of trips completed) or to ignore maintenance necessary to the
safe and reliable operation of their vehicles. Enabling driver participation in the formulation of
vehicle equipment standards and safe driving practices will help ensure that those standards and
practices are responsive to driver needs, including changing conditions, and that drivers will
agree with and follow those standards and practices.

J. Collective negotiation processes in other industries have achieved public health and
safety outcomes for the general public and improved the reliability and stability of the industries
at issue including, but not limited to, job security provisions, scheduling predictability, job
training, methods of communicating health and safety information and enforcing health and
safety standards, processes for resolving disputes with minimal rancor or conflict, and reductions
in industrial accidents, vehicular accidents, and inoperative or malfunctioning equipment. In other parts of the transportation industry, for example, collective negotiation processes have reduced accidents and improved driver and vehicle safety performance.

Section 2. Section 6.310.110 of the Seattle Municipal Code, last amended by Ordinance 124524, is amended as follows:

6.310.110 Definitions

***

“Commencement date” means a calendar date set by the Director after the effective date of the ordinance introduced as Council Bill 118499 for the purpose of initiating certain processes pursuant to Section 6.310.735 and establishing timelines and deadlines associated with them.

***

“Director” means the Director of Finance and Administrative Services or the director of any successor department and the Director’s authorized designee.

“Driver coordinator” means an entity that hires, contracts with, or partners with for-hire drivers for the purpose of assisting them with, or facilitating them in, providing for-hire services to the public. For the purposes of this definition, “driver coordinator” includes but is not limited to taxicab associations, for-hire vehicle companies, and transportation network companies.

“Exclusive driver representative” (EDR) means a qualified driver representative, certified by the Director to be the sole and exclusive representative of all for-hire drivers operating within the City for a particular driver coordinator, and authorized to negotiate, obtain and enter into a contract that sets forth terms and conditions of work applicable to all of the for-hire drivers employed by that driver coordinator.

***
“Personal vehicle” means a vehicle that is not a taxicab or for-hire vehicle licensed under
this Chapter 6.310. A personal vehicle that is used to provide trips via a transportation
network company application dispatch system is subject to regulation under this Chapter 6.310.

“Qualifying driver” means a for-hire driver, who drives for a driver coordinator and who
satisfies the conditions established by the Director pursuant to Section 6.310.735. In establishing
such conditions, the Director shall consider factors such as the length, frequency, total number of
trips, and average number of trips per driver completed by all of the drivers who have performed
trips in each of the four calendar months immediately preceding the commencement date, for a
particular driver coordinator, and any other factors that indicate that a driver’s work for a driver
coordinator is significant enough to affect the safety and reliability of for-hire transportation. A
for-hire driver may be a qualifying driver for more than one driver coordinator.

“Qualified driver representative” (QDR) means an entity that assists for-hire drivers
operating within the City for a particular driver coordinator in reaching consensus on desired
terms of work and negotiates those terms on their behalf with driver coordinators.

***

Section 3. A new Section 6.310.735 is added to the Seattle Municipal Code as follows:

6.310.735 Exclusive driver representatives

A. The Director shall promulgate a commencement date that is no earlier than 180 days
and no later than 240 days from the effective date of the ordinance introduced as Council Bill
118499.
B. The process of designating a QDR shall be prescribed by Director's rule. The
designation of a QDR shall be based on, but not limited to, consideration of the following
factors:

1. Registration with the Washington Secretary of State as a not-for-profit entity;
2. Organizational bylaws that give drivers the right to be members of the
organization and participate in the democratic control of the organization; and
3. Experience in and/or a demonstrated commitment to assisting stakeholders in
reaching consensus agreements with, or related to, employers and contractors.

C. An entity wishing to be considered as a QDR for for-hire drivers operating within the
City must submit a request to the Director within 30 days of the commencement date or at a later
date as provided in subsection G of this section. Within 14 days of the receipt of such a request,
the Director will notify the applicant in writing of the determination. Applicants who dispute the
Director's determination may appeal to the Hearing Examiner within 10 days of receiving the
determination. The Director shall provide a list of all QDRs to all driver coordinators.

1. An entity that has been designated as a QDR shall be required to establish
annually that it continues to satisfy the requirements for designation as a QDR.

2. An entity that has been designated as a QDR and that seeks to represent the
drivers of a driver coordinator shall notify the driver coordinator of its intent to represent those
drivers within 14 days of its designation as a QDR. That notice may be provided by any means
reasonably calculated to reach the driver coordinator, including by written notice mailed or
delivered to a transportation network company or taxicab association representative at the
mailing address listed with the City.
D. Driver coordinators who have hired, contracted with, partnered with, or maintained a contractual relationship or partnership with, 50 or more for-hire drivers in the 30 days prior to the commencement date, other than in the context of an employer-employee relationship, must, within 75 days of the commencement date, provide all QDRs that have given the notice specified in subsection 6.310.735.C.2 the names, addresses, email addresses (if available), and phone number (if available) of all qualifying drivers they hire, contract with, or partner with.

E. QDRs shall use driver contact information for the sole purpose of contacting drivers to solicit their interest in being represented by the QDR. The QDR may not sell, publish, or otherwise disseminate the driver contact information outside the entity/organization.

F. The Director shall certify a QDR as the EDR for all drivers contracted with a particular driver coordinator, according to the following:

1. Within 120 days of receiving the driver contact information, a QDR will submit statements of interest to the Director from a majority of qualifying drivers from the list described in subsection 6.310.735.D. Each statement of interest shall be signed, dated, and clearly state that the driver wants to be represented by the QDR for the purpose of negotiations with the driver coordinator. A qualifying driver’s signature may be provided by electronic signature or other electronic means. The Director shall determine by rule the standards and procedures for submitting and verifying statements of interest by qualifying drivers choosing an EDR.

   a. The methods for submitting and verifying statements of interest by qualifying drivers choosing an EDR may include, but not be limited to: signature verification, unique personal identification number verification, statistical methods, or third party verification.

2. Within 30 days of receiving such statements of interest, the Director shall determine if they are sufficient to designate the QDR as the EDR for all drivers for that particular
driver coordinator, and if so, shall so designate the QDR to be the EDR, except that, if more than
one QDR establishes that a majority of qualifying drivers have expressed interest in being
represented by that QDR, the Director shall designate the QDR that received the largest number
of verified affirmative statements of interest to be the EDR.

3. Within 30 days of receiving submissions from all QDRs for a particular driver
coordinator, the Director shall either certify one to be the EDR or announce that no QDR met the
majority threshold for certification.

G. If no EDR is certified for a driver coordinator, the Director shall, upon the written
request from a designated QDR or from an entity that seeks to be designated as a QDR,
promulgate a new commencement date applicable to that driver coordinator that is no later than
90 days after the request, provided that no driver coordinator shall be subject to the requirements
of Section 6.310.735 more than once in any 12-month period. The QDR, any other entity that
seeks to be designated as a QDR, and the driver coordinator shall then repeat the processes in

H. 1. Upon certification of the EDR by the Director, the driver coordinator
and the EDR shall meet and negotiate in good faith certain subjects to be specified in rules or
regulations promulgated by the Director, including, but not limited to, best practices regarding
vehicle equipment standards; safe driving practices; the manner in which the driver coordinator
will conduct criminal background checks of all prospective drivers; the nature and amount of
payments to be made by, or withheld from, the driver coordinator to or by the drivers; minimum
hours of work, conditions of work, and applicable rules. If the driver coordinator and the EDR
reach agreement on terms, their agreement shall be reduced to a written agreement. The term of
such an agreement shall be agreed upon by the EDR and the driver coordinator, but in no case shall the term of such an agreement exceed four years.

2. After reaching agreement, the parties shall transmit the written agreement to the Director. The Director shall review the agreement for compliance with the provisions of this Chapter 6.310, and to ensure that the substance of the agreement promotes the provision of safe, reliable, and economical for-hire transportation services and otherwise advance the public policy goals set forth in Chapter 6.310 and in the Preamble to and Section 1 of the ordinance introduced as C.B. 118499. In conducting that review, the record shall not be limited to the submissions of the EDR and driver coordinator nor to the terms of the proposed agreement. The Director shall have the right to gather and consider any necessary additional evidence, including by conducting public hearings and requesting additional information from the EDR and driver coordinator.

Following this review, the Director shall notify the parties of the determination in writing, and shall include in the notification a written explanation of all conclusions. Absent good cause, the Director shall issue the determination of compliance within 60 days of the receipt of an agreement.

a. If the Director finds the agreement compliant, the agreement is final and binding on all parties.

b. If the Director finds it fails to comply, the Director shall remand it to the parties with a written explanation of the failure(s) and, at the Director’s discretion, recommendations to remedy the failure(s).

c. The agreement shall not go into effect until the Director affirmatively determines its adherence to the provisions of this Chapter 6.310 and that the agreement furthers the provision of safe, reliable, and economical for-hire transportation services and the public
policy goals set forth in the Preamble to and Section 1 of the ordinance introduced as C.B.

3. Unless the EDR has been decertified pursuant to subsection 6.310.735.L or has lost its designation as a QDR, the EDR and the driver coordinator shall, at least 90 days before the expiration of an existing agreement approved pursuant to subsections 6.310.735.H.2.c or 6.310.735.I.4.c, meet to negotiate a successor agreement. Any such agreement shall be subject to approval by the Director pursuant to subsection 6.310.735.H.2. If the parties are unable to reach agreement on a successor agreement within 90 days after the expiration of an existing agreement, either party must submit to interest arbitration upon the request of the other pursuant to subsection 6.310.735.I, and the interest arbitrator’s proposed successor agreement shall be subject to review by the Director pursuant to subsections 6.310.735.I.3 and 6.310.735.I.4.

4. Nothing in this section 6.310.735 shall require or preclude a driver coordinator from making an agreement with an EDR to require membership of for-hire drivers in the EDR’s entity/organization within 14 days of being hired, contracted with, or partnered with by the driver coordinator to provide for-hire transportation services to the public.

I. If a driver coordinator and the EDR fail to reach an agreement within 90 days of the certification of the EDR by the Director, either party must submit to interest arbitration upon the request of the other.

I. The interest arbitrator may be selected by mutual agreement of the parties. If the parties cannot agree, then the arbitrator shall be determined as follows: from a list of seven arbitrators with experience in labor disputes and/or interest arbitration designated by the American Arbitration Association, the party requesting arbitration shall strike a name. Thereafter
the other party shall strike a name. The process will continue until one name remains, who shall
be the arbitrator. The cost of the interest arbitration shall be divided equally between the parties.

2. The interest arbitrator shall propose the most fair and reasonable agreement
concerning subjects specified in rules or regulations promulgated by the Director as set forth in
subsection 6.310.735.H.1 that furthers the provision of safe, reliable, and economical for-hire
transportation services and the public policy goals set forth in the Preamble to and Section 1 of
the ordinance introduced as C.B. 118499. The term of any agreement proposed by the interest
arbitrator shall not exceed two years. In proposing that agreement, the interest arbitrator shall
consider the following criteria:

a. Any stipulations of the parties;

b. The cost of expenses incurred by drivers (e.g., fuel, wear and tear on
vehicles, and insurance);

c. Comparison of the amount and/or proportion of revenue received from
customers by the driver coordinators and the income provided to or retained by the drivers;

d. The wages, hours, and conditions of employment of other persons,
whether employees or independent contractors, employed as for-hire or taxicab drivers in Seattle
and its environs, as well as other comparably sized urban areas;

e. If raised by the driver coordinator, the driver coordinator’s financial
condition and need to ensure a reasonable return on investment and/or profit;

f. Any other factors that are normally or traditionally taken into
consideration in the determination of wages, hours, and conditions of employment; and

g. The City’s interest in promoting the provision of safe, reliable, and
economical for-hire transportation services and otherwise advancing the public policy goals set
forth in Chapter 6.310 and in the Preamble to and Section 1 of the ordinance introduced as C.B. 118499.

3. The arbitrator shall transmit the proposed agreement to the Director for review in accordance with the procedures and standards set forth in subsection 6.310.735.H.2. With the proposed agreement, the arbitrator shall transmit a report that sets forth the basis for the arbitrator’s resolution of any disputed issues. The Director shall review the agreement as provided in subsection 6.310.735.H.2.

4. In addition to the review provided for in subsection 6.310.735.I.3, a driver coordinator or EDR may challenge the proposed agreement on the following grounds: that the interest arbitrator was biased, that the interest arbitrator exceeded the authority granted by subsection 6.310.735.H and this subsection 6.310.735.I, and/or that a provision of the proposed agreement is arbitrary and capricious. In the event of such a challenge, the Director will provide notice to the driver coordinator and the EDR, allow the driver coordinator and the EDR the opportunity to be heard, and make a determination as to whether any of the challenges asserted should be sustained.

a. If the Director finds the agreement fulfills the requirements of subsection 6.310.735.H.2, and that no challenges raised under this subsection 6.310.735.I.4 should be sustained, the Director will provide written notice of that finding to the parties and the agreement will be deemed final and binding on all parties.

b. If the Director finds that the agreement fails to fulfill the requirements of subsection 6.310.735.H.2, or that any challenge asserted under this subsection 6.310.735.I.4 should be sustained, the Director shall remand the agreement to the interest arbitrator with a
written explanation of the failure(s) and, at the Director’s discretion, recommendations to remedy
the failure(s).

c. The agreement shall not go into effect until the Director affirmatively
deems the agreement final and binding pursuant to subsections 6.310.735.1.3 and 6.310.735.1.4.a.
d. A driver coordinator or EDR may obtain judicial review of the
Director’s final determination rendered pursuant to this subsection 6.310.735.1.4 by applying for
a Writ of Review in the King County Superior Court within 14 days from the date of the
Director’s determination, in accordance with the procedure set forth in Chapter 7.16 RCW, other
applicable law, and court rules. The Director’s final determination shall not be stayed pending
judicial review unless a stay is ordered by the court. If review is not sought in compliance with
this subsection 6.310.735.1.4.d, the determination of the Director shall be final and conclusive.

5. If either party refuses to enter interest arbitration, upon the request of the other,
either party may pursue all available judicial remedies.

J. During the term of an agreement approved by the Director under subsection
6.310.735.H or 6.310.735.I, the parties may discuss additional terms and, if agreement on any
amendments to the agreement are reached, shall submit proposed amendments to the Director,
who shall consider the proposed amendment in accordance with the procedures and standards in
subsection 6.310.735.H.2. Any proposed amendment shall not go into effect until the Director
affirmatively determines its adherence to the provisions of this Chapter 6.310 and that it furthers
the provision of safe, reliable and economical for-hire transportation services and the public
policy goals set forth in the Preamble to and Section 1 of the ordinance introduced as C.B.

118499.
1. During the term of an agreement approved by the Director under subsection 6.310.735.H or 6.310.735.I, the Director shall have the authority to withdraw approval of the agreement if the Director determines that the agreement no longer adheres to the provisions of this Chapter 6.310 or that it no longer promotes the provision of safe, reliable, and economical for-hire transportation services and the public policy goals set forth in the Preamble to and Section 1 of the ordinance introduced as C.B. 118499. The Director shall withdraw such approval only after providing the parties with written notice of the proposed withdrawal of approval and the grounds therefor and an opportunity to be heard regarding the proposed withdrawal. The Director’s withdrawal of approval shall be effective only upon the issuance of a written explanation of the reasons why the agreement on longer adheres to the provisions of this Chapter 6.310 or no longer furthers the provision of safe, reliable, and economical for-hire transportation services or the public policy goals set forth in the Preamble to and Section 1 of the ordinance introduced as C.B. 118499.

2. The Director shall have the authority to gather and consider any necessary evidence in exercising the authority provided by this subsection 6.310.735.J.

3. A driver coordinator shall not make changes to subjects set forth in subsection 6.310.735.H or specified in rules or regulations promulgated by the Director without meeting and discussing those changes in good faith with the EDR, even if the driver coordinator and EDR have not included terms concerning such subjects in their agreement.

K. A driver coordinator shall not retaliate against any for-hire driver for exercising the right to participate in the representative process provided by this section 6.310.735, or provide or offer to provide money or anything of value to any for-hire driver with the intent of encouraging the for-hire driver to exercise, or to refrain from exercising, that right. It shall be a violation for a
driver coordinator or its agent, designee, employee, or any person or group of persons acting
directly or indirectly in the interest of the driver coordinator in relation to the for-hire driver to:

1. Interfere with, restrain, or deny the exercise of, or the attempt to exercise, any
right protected under this section 6.310.735; or

2. Take adverse action, including but not limited to threatening, harassing,
penalizing, or in any other manner discriminating or retaliating against a driver, because the
driver has exercised the rights protected under this section 6.310.735.

L. Decertification. An Exclusive Driver Representative may be decertified according to
the following:

1. The Director receives a petition to decertify an EDR no more than 30 days
before the expiration of an agreement reached pursuant to this section 6.310.735 or no less than
three years after the agreement’s effective date, whichever is earlier.

   a. A decertification petition must be signed by ten or more qualifying
drivers. The Director shall determine by rule the standards and procedures for submitting the
decertification petition.

2. Once a petition has been accepted by the Director, the Director shall issue
notice to the driver coordinator and the EDR of the decertification petition and promulgate a
decertification date.

3. The driver coordinator shall have 14 days from the decertification date to
transmit the list of qualifying drivers to the petitioners and the EDR.

4. Within 120 days of receiving the driver contact information, petitioners for a
decertification will submit to the Director statements of interest from a majority of qualifying
drivers from the list described in subsection 6.310.735.K.3. The statements of interest shall be
signed and dated and shall clearly indicate that the driver no longer wants to be represented by
the EDR for the purpose of collective bargaining with the driver coordinator. The Director shall
determine by rule the standards and procedures for submitting and verifying the statements of
interest of qualifying drivers.

5. Within 30 days of receiving such statements of interest, the Director shall
determine if they are sufficient to decertify the EDR for that particular driver coordinator. The
Director shall either decertify the EDR, or declare that the decertification petition did not meet
the majority threshold and reaffirm that the EDR shall continue representing all drivers for that
particular driver coordinator.

a. If an EDR is decertified for a particular driver coordinator, the process
of selecting a new EDR may start according to the process outlined in subsection 6.310.735.G.

M. Enforcement

1. Powers and duties of Director

a. The Director is authorized to enforce and administer this section
6.310.735. The Director shall exercise all responsibilities under this section 6.310.735 pursuant
to rules and regulations developed under Chapter 3.02. The Director is authorized to promulgate,
revise, or rescind rules and regulations deemed necessary, appropriate, or convenient to
administer the provisions of this section 6.310.735, providing affected entities with due process
of law and in conformity with the intent and purpose of this section 6.310.735.

b. The Director shall investigate alleged violations of subsections
6.310.735.D and 6.310.735.H.1, and if the Director determines that a violation has occurred, the
Director shall issue a written notice of the violation. The Director may investigate alleged
violations of other subsections of this section 6.310.735, and if the Director determines that a
violation has occurred, the Director shall issue a written notice of the violation. The notice shall:

1) Require the person or entity in violation to comply with the
requirement;

2) Include notice that the person or entity in violation is entitled to
a hearing before the Hearing Examiner to respond to the notice and introduce any evidence to
refute or mitigate the violation, in accordance with Chapter 3.02; and

3) Inform the person or entity in violation that a daily penalty of up
to $10,000 for every day the violator fails to cure the violation will accrue if the violation is
uncontested or found committed.

c. The person or entity named on the notice of violation must file with the
Hearing Examiner’s Office the request for a hearing within ten calendar days after the date of the
notice of violation. The Hearing Examiner may affirm, modify, or reverse the Director’s notice
of violation.

d. If the person or entity named on the notice of violation fails to timely
request a hearing, the notice of violation shall be final and the daily penalty of up to $10,000 will
accrue until the violation is cured.

e. Nothing in this section 6.310.735 shall be construed as creating liability
or imposing liability on the City for any non-compliance with this section 6.310.735.

2. Judicial review. After receipt of the decision of the Hearing Examiner, an
aggrieved party may pursue all available judicial remedies.

and 6.310.735.K may be enforced through a private right of action. Any aggrieved party,
including but not limited to an EDR, may bring an action in court, and shall be entitled to all
remedies available at law or in equity appropriate to remedy any violation of this section
6.310.735. A plaintiff who prevails in any action against a private party to enforce this section
6.310.735 may be awarded reasonable attorney’s fees and costs.

4. Contractual remedies. Nothing in this section shall be construed as preventing
the parties to an agreement approved by the Director from pursuing otherwise available remedies
for violation of such agreement.

Section 4. The provisions of this ordinance are declared to be separate and severable. The
invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance,
or the invalidity of its application to any person or circumstance, does not affect the validity of
the remainder of this ordinance, or the validity of its application to other persons or
circumstances.

Section 5. Sections 2 and 3 of this ordinance shall take effect and be in force 150 days
after the effective date of the ordinance introduced as Council Bill 118499.

Section 6. No provision of this ordinance shall be construed as a providing any
determination regarding the legal status of taxicab, transportation network company, and for-hire
vehicle drivers as employees or independent contractors. The provisions of this ordinance do not
apply to drivers who are employees under 29 U.S.C. § 152(3).

Section 7. Should a court of competent jurisdiction, all appeals having been exhausted or
all appeal periods having run, determine that any provision of this ordinance is preempted by
federal law, any and all such provisions shall be deemed null and void.
Section 8. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 14th day of December, 2015, and signed by me in open session in authentication of its passage this 14th day of December, 2015.

[Signature]

President _______ of the City Council

Approved by me this ______ day of _______________________, 2015.

__________________________
Edward B. Murray, Mayor

Filed by me this 23rd day of December, 2015.

[Signature]

Monica Martinez Simmons, City Clerk

(Seal)
1. BILL SUMMARY

Legislation Title:
AN ORDINANCE relating to taxicab, transportation network company, and for-hire vehicle drivers; amending Section 6.310.110 of the Seattle Municipal Code; adding a new Section 6.310.735 to the Seattle Municipal Code; and authorizing the election of driver representatives.

Summary and background of the Legislation:
This legislation establishes a framework that would require companies that hire or contract with for-hire drivers licensed to operate in the City to bargain the terms and conditions of work with a Driver Representative if a sufficient number of such drivers chose to be represented.

For-hire drivers are generally considered to be in independent contractors and as such are not covered by the National Labor Relations Act that provides for collective bargaining between employers and unions representing employees. This legislation establishes a framework locally to allow drivers to organize and bargain, through a selected representative, with the companies they work for. Through this legislation, the City would establish the process by which the driver representative is selected, and compels the parties to bargain. It also establishes penalties for failure to comply including the possible revocation of regulatory licenses.

2. CAPITAL IMPROVEMENT PROGRAM

--- This legislation creates, funds, or amends a CIP Project.

(If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Project I.D.:</th>
<th>Project Location:</th>
<th>Start Date:</th>
<th>End Date:</th>
<th>Total Cost:</th>
</tr>
</thead>
<tbody>
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</table>

3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

--- This legislation has direct financial implications. (If the legislation has direct fiscal impacts (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.)

--- This legislation does not have direct financial implications. (Please skip to “Other Implications” section at the end of the document and answer questions a-i.)
### Budget program(s) affected:

<table>
<thead>
<tr>
<th>Estimated $ Appropriation change:</th>
<th>General Fund $</th>
<th>Other $</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated $ Revenue change:</th>
<th>Revenue to General Fund</th>
<th>Revenue to Other Funds</th>
</tr>
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<tbody>
<tr>
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<tr>
<td></td>
<td>$100,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Positions affected:</th>
<th>No. of Positions</th>
<th>Total FTE Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

| Other departments affected:       | Finance and Administrative Services |

### 3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

(If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

<table>
<thead>
<tr>
<th>Fund Name and number</th>
<th>Dept</th>
<th>Budget Control Level Name/#*</th>
<th>2015 Appropriation Change</th>
<th>2016 Estimated Appropriation Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Administrative Services Fund (50300)</td>
<td>Finance and Administrative Services</td>
<td>Revenue and Consumer Protection (A4530)</td>
<td>$0</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

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

(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 complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes: The 2016 appropriation change will be requested in the 2016 budget.

### 3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

(If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

Anticipated Revenue/Reimbursement Resulting from this Legislation:
Revenue/Reimbursement Notes:
Revenues would be raised through fees and penalties from industry participants in the taxi, for-hire, and transportation network companies.

3.c. Positions

This legislation adds, changes, or deletes positions.
(If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

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

<table>
<thead>
<tr>
<th>Position # for Existing Positions</th>
<th>Position Title &amp; Department*</th>
<th>Fund Name &amp; Number</th>
<th>Program &amp; BCL</th>
<th>PT/FT</th>
<th>2015 Positions</th>
<th>2015 FTE</th>
<th>Does it sunset? (If yes, explain below in Position Notes)</th>
</tr>
</thead>
<tbody>
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</table>

TOTAL
* List each position separately

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

Position Notes: Positions needed to perform the responsibilities created by this legislation will be authorized in the 2016 Adopted Budget.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above? No.
(If yes, explain here.)
b) Is there financial cost or other impacts of not implementing the legislation? No
(Provide a detailed estimate of the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.)

c) Does this legislation affect any departments besides the originating department? No
(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.)

d) Is a public hearing required for this legislation? No
(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

e) Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation? No
(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.)

f) Does this legislation affect a piece of property? No
(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.)

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? Yes
(If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation’s impact on certain communities.)

A very large number of for-hire drivers come from historically disadvantaged communities. Many are new immigrants to the US and English is not their first language, making it difficult for them to find jobs. Driving taxis, flat-rate, and TNC-endorsed vehicles is often the fastest and easiest path to regular work for them. Unfortunately, because they are vulnerable, they are often taken advantage of by the companies that hire them or contract with them. This legislation provides a mechanism to redress the imbalance of market power the currently exists in the industry.

h) If this legislation includes a new initiative or a major programmatic expansion:
What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program’s desired goals.
(This answer should highlight measurable outputs and outcomes.)
By establishing a collective bargaining framework at the local level for a cohort of the labor force denied the protections of the NLRA, this legislation could have a significant impact nationwide.

i) Other Issues:

List attachments/exhibits below:
STATE OF WASHINGTON -- KING COUNTY

332162
CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:124956-124968 TITLE

was published on

01/08/16

The amount of the fee charged for the foregoing publication is the sum of $219.47 which amount has been paid in full.

MELISSA M. DOWD
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES 11-21-19

Subscribed and sworn to before me on

01/08/2016

Notary public for the State of Washington, residing in Seattle

Affidavit of Publication
State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on December 14, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://www.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/30673. Contact Office of the City Clerk at 206-684-3844.

Ord 124966

AN ORDINANCE appropriating money to pay certain unaudited claims and ordering the payment thereof.

Ord 124967

AN ORDINANCE related to cable television, authorizing the Mayor or the Mayor's designee to enter into a Cable Television Franchise Agreement with Comcast Cable Communications Management, LLC; and authorizing the Chief Technology Officer to enter into other agreements for the purpose of implementing or administering the renewed franchise.

Ord 124968

AN ORDINANCE approving and confirming the plat of "Greenbelt Station" in the portions of Southeast 1/4 of Northeast 1/4 of Section 24, Township 24 North; Range 4 East, W.M. in King County, Washington.

Ord 124969

AN ORDINANCE relating to City employment commonly referred to as the "Fourth Quarter 2014 Employment Ordinance"; establishing new salaries that implement 2014 increases council; amending Ordinance 124627; increasing funds designating positions as exempt from Civil Service status; and ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

Ord 124970


Ord 124971

AN ORDINANCE authorizing, in 2016, acceptance of funding from non-City sources, authorizing the heads of the Executive Department, City Budget Office, Department of Neighborhoods, Department of Parks and Recreation, Human Services Department, Seattle Fire Department, Seattle Police Department, Department of Information Technology, and Seattle Public Utilities to accept specified grants; private funding donations and authorized loans and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

Ord 124972

AN ORDINANCE regarding the 2016 Budget; amending Ordinance 124648, which adopted the 2016 Budget, including the 2015-2020 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; revising project allocations for certain projects in the 2016-2020 CIP, creating both exempt and non-exempt positions; and ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

Ord 124973


Ord 124974

AN ORDINANCE relating to historic preservation; amending Section 20.54.100, Seattle Municipal Code, and adding it to the Table of Historical Landmarks contained in Chapter 20.52 of the Seattle Municipal Code.

Ord 124975

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to execute amendments to existing agreements between the City of Seattle and North City Water District and between The City of Seattle and Olympic View Water and Sewer District.

Ord 124976

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to enter into a Joint Project Agreement with King County to design, construct, operate, and maintain the Ship Canal Water Quality Project, in partial fulfillment of the objectives of the Consent Decree authorized under Ordinances 125805 and 125825, and the "Plan to Protect Seattle's Waterways" authorized under Ordinance 127666, to reduce Combined Sewer Overflows, and ratifying and confirming certain prior acts.

Ord 124977

AN ORDINANCE vacating the north 188 feet of the alley adjacent to Lots 17 through 24, lying between Block 65 and Block 66, Boulevard Property's Plot of West Seattle, near the Alaska Street Extension of the West Seattle neighborhood of Seattle, on the petition of Faustefelt Pikes LLC (Clark File 2015171) and ratifying and confirming certain prior acts.

Ord 124978

AN ORDINANCE relating to tenants, transportation network company, and for hire vehicle drivers; amending Section 6.310.110 of the Seattle Municipal Code; adding a new Section 6.310.278 to the Seattle Municipal Code; and authorizing the election of driver representatives.

Date of publication in the Seattle Daily Journal of Commerce, January 8, 2016. 124979