

**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

..title

AN ORDINANCE relating to the for-hire industry, including wheelchair accessible taxis and for-hire industry insurance; amending Sections 6.310.260, 6.310.300, and 6.310.500 and repealing Section 6.310.335 of the Seattle Municipal Code.

..body

WHEREAS, industry regulations for taxicab and for-hire vehicle services must ensure fair

market competition and encourage innovation without compromising the regulatory

safety that the public relies on for its protection; and

WHEREAS, the number of insurance companies available to taxicab and for-hire vehicles

licensees has become very limited; and

WHEREAS, no complaints, claims or additional risk were realized during the 2014 provisional

period when the A.M. Best rating on insurance companies was decreased; and

WHEREAS, the State of Washington does not require commercial vehicle operators, like

taxicabs and for-hire vehicles to have an insurance policy that is A.M. Best rated; and

WHEREAS, the State of Washington has a guaranty fund that processes claims in the event an

insurance company becomes insolvent; and

WHEREAS, the provisional period referenced in SMC 6.310 has elapsed; and

WHEREAS, wheelchair accessible taxis have provided accessible service in Seattle since 2008;

and

WHEREAS, operating a wheelchair accessible taxi is more expensive than a non-accessible taxi

and therefore reimbursing some operating expenses helps ensure the economic

sustainability of this service; and

1 WHEREAS, demand for wheelchair accessible taxis has been expressed by the Seattle  
2 Commission for People with Disabilities; and  
3 WHEREAS, King County has licensed wheelchair accessible taxicabs that are able to drop off  
4 passengers in the city but are not allowed to pick that same passenger back up  
5 contributing to customer complaints and greenhouse gas emissions; NOW,  
6 THEREFORE,

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

8 Section 1. Section 6.310.260 of the Seattle Municipal Code, enacted by Ordinance  
9 124524, is amended as follows:

10 **6.310.260 Transportation network company license eligibility and application**

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

14 1. To be eligible for a license, the transportation network company is limited to  
15 providing application dispatch services to transportation network company drivers meeting the  
16 requirements set forth in Section 6.310.452; further, no TNC licensed by the City of Seattle shall  
17 own or be owned or controlled, in whole or in part, by any other TNC licensed by the City of  
18 Seattle, or be owned or controlled in whole or in part by any party or entity owning or  
19 controlling, in whole or in part, another TNC licensed by the City of Seattle; provided that no  
20 ownership restrictions shall apply to any publicly-traded company.

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

22 a. The applicant transportation network company's name, business street  
23 address and post office box address (if any), business facsimile number, business phone number

1 and business email address where the transportation network company representative can generally  
2 be reached between 9 a.m. and 5 p.m. on all nonholiday weekdays;

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

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

8                    ii. If the applicant transportation network company is a corporation,  
9 partnership or other business entity, the names, business addresses, telephone numbers, and date  
10 of birth of the person or persons vested with authority to manage or direct the affairs of the legal  
11 entity in Seattle or to bind the legal entity in dealings with third parties, and the entity's true legal  
12 name, state of incorporation or registration with the Secretary of State of the State of Washington  
13 (if any) and State of Washington business license number, and any other information that the  
14 Director may reasonably require;

15                   c. Verification that applicant uses only one application dispatch system, as  
16 approved by the Director;

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

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

1                                    ~~((f. During the provisional period described in subsection 6.310.335, file~~  
2 ~~evidence with the City that each vehicle affiliated with a transportation network company has~~  
3 ~~liability insurance in an amount no less than required by RCW 46.72.050 at any time while active~~  
4 ~~on a TNC dispatch system and underinsured motorist coverage indicating a minimum coverage of~~  
5 ~~\$100,000 per person, and \$300,000 per accident, at any time while active on the TNC dispatch~~  
6 ~~system. The insurance policy, and any related driver contracts if applicable, must be submitted to~~  
7 ~~the Director. The insurance policy shall:~~

8   ~~i. At a minimum be issued by either: a) an admitted carrier in the~~  
9 ~~State of Washington with an A.M. Best Rating of not less than B VII or b) a surplus line insurers~~  
10 ~~with an A.M. Best Rating of not less than B+ VII;~~

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

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

15                                    ~~((g.))~~ f. ~~((By the first business day immediately following the conclusion of~~  
16 ~~the provisional period, t))~~ The registered owners of vehicles with a transportation network company  
17 endorsement, or the transportation network company on behalf of the registered owner must have  
18 on file with the City evidence that each vehicle has an insurance policy or binder proving  
19 compliance with State insurance requirements effective at that time. The insurance policy, and any  
20 related driver contracts if applicable, must be submitted to the Director. ((If there is no change to  
21 State insurance requirements by the conclusion of the provisional period, t)) The TNC shall provide  
22 evidence that each vehicle affiliated with a transportation network company has insurance in an  
23 amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a

1 minimum coverage of \$100,000 per person, and \$300,000 per accident or in an amount no less  
2 than required by chapter 48.177 RCW, at any time while active on the TNC dispatch system. The  
3 insurance policy shall:

4 i. Be issued by an admitted carrier in the State of Washington with  
5 an A.M. Best Rating of not less than ~~((B+))~~ B VII or show evidence that an exemption has been  
6 met allowing for the use of a surplus line insurer; provided however, that the Director may  
7 temporarily suspend any or all of these requirements if no other viable insurance options are  
8 available to the industry,

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

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

13 iv. Not include aggregate limits, or named driver requirements or  
14 exclusions. Other limitations or restrictions beyond standard insurance services office (ISO)  
15 business auto policy form are subject to approval by the Director.

16 ~~(((h. Reserved.))~~

17 ~~(((i.))~~ g. State of Washington vehicle registration for each vehicle affiliated  
18 with the transportation network company.

19 ~~(((j.))~~ h. Certificate of a uniform vehicle safety inspection for each vehicle  
20 affiliated with the transportation network company as required in ~~(((Section))~~ subsection  
21 6.310.270.R.

22 ~~(((k.))~~ i. Any other information required by regulations adopted pursuant to  
23 this ~~(((chapter))~~ Chapter 6.310.



1 agency, the make, model, year, vehicle identification number, Washington State vehicle license  
2 plate number, and any other vehicle information required by rule or regulation promulgated under  
3 this ~~((chapter))~~ Chapter 6.310.

4 3. Information as requested by the Department pertaining to any driver's, for-hire  
5 vehicle or taxicab license suspension, denial, nonrenewable or revocation, imposed in connection  
6 with a taxicab or for-hire vehicle owned or leased by the vehicle owner within the last three ~~((3))~~  
7 years.

8 4. Consent of the vehicle owner, or if the vehicle owner is a business entity, of the  
9 persons specified in subsection 6.310.C.1.b above, to a criminal background check through  
10 Washington State Patrol and Federal Bureau of Investigation criminal databases conducted by the  
11 Director, or have a copy of a criminal background check provided directly from a Director-  
12 approved third party vendor ~~((;))~~ .

13 5. An ~~((Insurance))~~ insurance policy ~~((;))~~

14 ~~((a. During the provisional period described in subsection 6.310.335, file  
15 with the City evidence that each taxicab or for hire vehicle for which a license is sought has  
16 liability insurance in an amount no less than required by RCW 46.72.050 and underinsured  
17 motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per  
18 accident at any time while active on a TNC, application, radio, computer, taxicab or for hire  
19 dispatch system, and/or when a taxicab or for hire vehicle is 'operating,' which includes when: 1)  
20 there is a passenger in the vehicle; 2) the taxicab is parked in a taxi zone; 3) the taximeter is  
21 engaged; 4) the office dispatch records show that the vehicle had been dispatched; 5) the taxicab  
22 top light is illuminated; 6) the trip records shows that the vehicle has started a shift and there is no~~

1 ~~entry for ending a shift; or 7) the for hire driver has offered transportation services to a passenger.~~

2 ~~The insurance policy must be submitted to the Director. The insurance policy shall:~~

3 ~~i. At a minimum be issued by either: a) an admitted carrier in the~~  
4 ~~State of Washington with an A.M. Best Rating of not less than B-VII or b) a surplus line insurer~~  
5 ~~with an A.M. Best Rating of not less than B+VII;~~

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

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

10 ~~b. By the first business day immediately following the conclusion of the~~  
11 ~~provisional period, file with the City evidence that each taxicab or for hire vehicle for which a~~  
12 ~~license is sought has an insurance policy proving compliance with State insurance requirements~~  
13 ~~effective at that time. The insurance policy must be submitted to the Director. If there is no change~~  
14 ~~to State insurance requirements by the conclusion of the provisional period;)) filed with the City~~  
15 ~~((the insurance policy)) proving compliance with ((Chapter)) chapter 46.72 RCW, as now or~~  
16 ~~hereafter amended, or Chapter 48.177 RCW as now of hereafter amended if approved by the~~  
17 ~~Director for the limited purpose of determining minimum insurance compliance, for each taxicab~~  
18 ~~or for-hire vehicle for which a license is sought. The insurance policy shall:~~

19 ~~((+)) a. Be issued by an admitted carrier in the State of Washington~~  
20 ~~with an A.M. Best's Rating of not less than ((B+)) B and be not less than A.M. Best's Financial~~  
21 ~~Size Category VII; provided however, that the Director may temporarily suspend any or all of~~  
22 ~~these requirements if no other viable insurance options are available to the industry,~~

23 ~~((+)) b. Name The City of Seattle as an additional insured,~~





1 ~~((6.310.335 Provisional Insurance Requirements~~

2 ~~A. Upon the effective date of this ordinance and until the earlier of 1) the effective date of~~  
3 ~~changes to State insurance requirements for for hire transportation services or 2) two weeks after~~  
4 ~~the end of the 2015 Washington State legislative session hereafter "provisional period", the~~  
5 ~~registered owners of taxicabs, for hire vehicles, and vehicles with a transportation network~~  
6 ~~company endorsement, or the taxicab association representative, for hire vehicle licensee or~~  
7 ~~company, or transportation network company on behalf of the registered owner shall:~~

8 ~~1. File with the City evidence that each vehicle has liability insurance in an amount~~  
9 ~~no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a~~  
10 ~~minimum coverage of \$100,000 per person, and \$300,000 per accident at any time while active on~~  
11 ~~a TNC, application, radio, computer, taxicab or for hire dispatch system, and/or when a taxicab or~~  
12 ~~for hire vehicle is 'operating,' which includes when: 1) there is a passenger in the vehicle; 2) the~~  
13 ~~taxicab is parked in a taxi zone; 3) the taximeter is engaged; 4) the office dispatch records show~~  
14 ~~that the vehicle had been dispatched; 5) the taxicab top light is illuminated; 6) the trip records~~  
15 ~~shows that the vehicle has started a shift and there is no entry for ending a shift; or 7) the for hire~~  
16 ~~driver has offered transportation services to a passenger. The insurance policy, and any related~~  
17 ~~driver contracts if applicable, must be submitted to the Director. The insurance policy shall:~~

18 ~~i. At a minimum be issued by either: a) an admitted carrier in the State of~~  
19 ~~Washington with an A.M. Best Rating of not less than B- VII or b) a surplus line insurer with an~~  
20 ~~A.M. Best Rating of not less than B+ VII;~~

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



1 6.310.110. ~~((These licenses shall be non-transferable for a period of three years from the date of~~  
2 ~~issuance and shall not be included in calculating the maximum number of taxicab licenses~~  
3 ~~allowable pursuant to subsection A.)) Additionally, ((F))the Director may issue ((temporary and  
4 ~~nontransferable)) City of Seattle wheelchair accessible taxicab licenses to applicants ((individual  
5 ~~for hire drivers)) selected by King County for issuance of a King County wheelchair accessible~~  
6 ~~taxicab license. ((for a demonstration project to determine the economic feasibility of the long~~  
7 ~~term issuance of such licenses. This subsection shall take effect and be in force retroactively as of~~  
8 ~~the effective date of this ordinance.)) If a City of Seattle wheelchair accessible taxicab license is~~  
9 ~~awarded to a King County wheelchair accessible taxicab licensee, ((then)) 1) a dual license is~~  
10 ~~created, allowing the licensee to operate in both the City and County; 2) the licensee is not required~~  
11 ~~to personally drive the taxicab; and 3) the licensee is not required to be a single individual,~~  
12 ~~corporation held by a single shareholder, or limited liability company comprised of a single~~  
13 ~~member. The dual status of the licenses is permanent, and the licenses must be transferred or leased~~  
14 ~~together. Licenses issued under this subsection 6.310.500.C shall be non-transferable for a period~~  
15 ~~of three years from the date of issuance and shall not be included in calculating the maximum~~  
16 ~~number of taxicab licenses allowable pursuant to subsections 6.310.500.A and 6.310.500.B.~~~~~~

17 \* \* \*

18 Section 5. The provisions of this ordinance are declared to be separate and severable.  
19 The invalidity of any clause, sentence, paragraph, subdivision, section, or other portion of this  
20 ordinance, or the invalidity of its application to any person or circumstance, shall not affect the  
21 validity of the remainder of this ordinance, or the validity of its application to other persons or  
22 circumstances.

1           Section 6. Any act consistent with the authority of this ordinance that is taken after its passage  
2 but prior to its effective date is hereby ratified and confirmed.

