



SEATTLE CITY COUNCIL

Legislative Summary

CB 118712

Record No.: CB 118712

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125082

In Control: City Clerk

File Created: 05/19/2016

Final Action: 07/29/2016

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.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Harrell

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: kara.main-hester@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	05/24/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
1	City Clerk	05/24/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	06/01/2016	sent for review	Education, Equity, and Governance Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Education, Equity, and Governance Committee						
	Notes:						
1	Full Council	06/27/2016	referred	Education, Equity, and Governance Committee			
	Action Text: The Council Bill (CB) was referred. to the Education, Equity, and Governance Committee						
	Notes:						

Legislative Summary Continued (CB 118712)

- 1 Education, Equity, and Governance Committee 07/06/2016
- 1 Education, Equity, and Governance Committee 07/20/2016 pass Pass
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
In Favor: 3 Chair Harrell, Vice Chair González , Member Juarez
Opposed: 0
- 1 Full Council 07/25/2016 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
In Favor: 8 Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant
Opposed: 0
- 1 City Clerk 07/26/2016 submitted for Mayor
Mayor's signature
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 1 Mayor 07/29/2016 Signed
Action Text: The Council Bill (CB) was Signed.
Notes:
- 1 Mayor 07/29/2016 returned City Clerk
Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:
- 1 City Clerk 07/29/2016 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
-

CITY OF SEATTLE
ORDINANCE 125082
COUNCIL BILL 118712

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.

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
2 generally 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
9 corporation, partnership or other business entity, the names, business addresses, telephone
10 numbers, and date of birth of the person or persons vested with authority to manage or direct the
11 affairs of the legal entity in Seattle or to bind the legal entity in dealings with third parties, and
12 the entity's true legal name, state of incorporation or registration with the Secretary of State of
13 the State of Washington (if any) and State of Washington business license number, and any other
14 information that the 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
19 the application. The trade dress may be placed on the vehicle body, but not on the roof or
20 covering any windows, vehicle lights, or obscuring the view of any mirrors, and cannot exceed
21 four square feet;

22 e. The name, address, phone number, and date of birth of the
23 transportation 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~~
4 ~~active on a TNC dispatch system and underinsured motorist coverage indicating a minimum~~
5 ~~coverage of \$100,000 per person, and \$300,000 per accident, at any time while active on the~~
6 ~~TNC dispatch system. The insurance policy, and any related driver contracts if applicable, must~~
7 ~~be submitted to 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~~
16 ~~of the provisional period, t))The registered owners of vehicles with a transportation network~~

17 company endorsement, or the transportation network company on behalf of the registered owner

18 must have on file with the City evidence that each vehicle has an insurance policy or binder

19 proving compliance with State insurance requirements effective at that time. The insurance

20 policy, and any related driver contracts if applicable, must be submitted to the Director. ((If there

21 is no change to State insurance requirements by the conclusion of the provisional period, t))The

22 TNC shall provide evidence that each vehicle affiliated with a transportation network company

23 has insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist

1 coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident or
2 in an amount no less than required by chapter 48.177 RCW, at any time while active on the TNC
3 dispatch system. The 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 ((+)) j. The above application and information must be completed for each
2 annual license renewal.

3 Section 2. Subsection 6.310.300.C of the Seattle Municipal Code, which section was last
4 amended by Ordinance 124524, is amended as follows:

5 **6.310.300 Taxicab and for-hire vehicle license application**

6 * * *

7 C. The taxicab or for-hire vehicle license application shall include the following
8 information:

9 1. Applicant type:

10 a. If the applicant is an individual, the vehicle owner's full name, home
11 address, home and business telephone number, and date of birth (which shall be at least
12 (~~eighteen~~)18(0)) years prior to the date of application); or

13 b. If the applicant is a corporation, limited liability company, partnership
14 or other legal entity, the names, home addresses, telephone numbers and dates of birth (which
15 must be at least (~~eighteen~~)18(0)) years before the date of application) for the corporation's or
16 entity's officers, directors, general and managing partners, registered agents, and each person
17 vested with authority to manage or direct the affairs of the legal entity or to bind the legal entity
18 in dealings with third parties; the corporation's, limited liability company's, partnership's, or
19 entity's true legal name, state of incorporation or partnership registration (if any), business
20 address and telephone and facsimile numbers and State of Washington business license number,
21 and any other information that the Director may reasonably require.

22 2. Vehicle information, including the name of the taxicab association with which
23 a taxicab is or will be affiliated, the taxicab or for-hire vehicle number assigned by any

1 regulatory agency, the make, model, year, vehicle identification number, Washington State
2 vehicle license plate number, and any other vehicle information required by rule or regulation
3 promulgated under 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
7 ~~((3))~~ 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
11 the 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~~

1 ~~no entry for ending a shift; or 7) the for hire driver has offered transportation services to a~~
2 ~~passenger. 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~~
14 ~~change to State insurance requirements by the conclusion of the provisional period,) filed with~~
15 ~~the City ((the insurance policy)) proving compliance with ((Chapter)) chapter 46.72 RCW, as~~
16 ~~now or hereafter amended, or Chapter 48.177 RCW as now or hereafter amended if approved by~~
17 ~~the Director for the limited purpose of determining minimum insurance compliance, for each~~
18 ~~taxicab or for-hire vehicle for which a license is sought. The insurance policy shall:~~

19 ~~((i-)) 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 ~~((ii-)) b. Name The City of Seattle as an additional insured,~~

1 ((iii.)) c. Provide that the insurer will notify the Director, in
2 writing, of any cancellation at least 30 days before that cancellation takes effect, and

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

6 6. Certificate of underinsured motorist coverage indicating a minimum coverage
7 of \$100,000 per person, and \$300,000 per accident.

8 7. State of Washington vehicle registration.

9 8. Certificate of vehicle safety based on a uniform vehicle safety inspection as
10 required in subsection 6.310.320.E.

11 9. Certificate of taxicab association membership (if application is for a taxicab
12 license).

13 ((10. Reserved.))

14 ((11.)) 10. Any other documents required by regulations promulgated under this
15 ((chapter)) Chapter 6.310.

16 ((12.)) 11. The above application and information must also be completed and
17 supplied during any annual license renewal. The City will not process a taxicab or for-hire
18 vehicle license application if any required information or documentation is missing or
19 incomplete. Completed applications and copies of required documentation shall be provided to
20 the City by the taxicab association, for-hire vehicle company, or for-hire vehicle licensee.

21 * * *

22 Section 3. Section 6.310.335 of the Seattle Municipal Code, enacted by Ordinance
23 124524, is repealed:

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

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

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

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

4 B. ~~By the first business day immediately following the conclusion of the provisional~~
5 ~~period, the registered owners of taxicabs, for hire vehicles, and vehicles with a transportation~~
6 ~~network company endorsement, or the taxicab association representative, for hire vehicle~~
7 ~~licensee or company, or transportation network company on behalf of the registered owner must~~
8 ~~have on file with the City evidence that each vehicle has an insurance policy proving compliance~~
9 ~~with State insurance requirements effective at that time. The insurance policy and any related~~
10 ~~driver contracts if applicable, must be submitted to the Director. (Summary suspension). If there~~
11 ~~is no change to State insurance requirements by the conclusion of the provisional period, the~~
12 ~~registered owners of taxicabs, for hire vehicles, and vehicles with a transportation network~~
13 ~~company endorsement, or the taxicab association representative, for hire vehicle licensee or~~
14 ~~company, or transportation network company on behalf of the registered owner shall provide~~
15 ~~evidence that each vehicle has an insurance policy that complies with subsections 6.310.260g or~~
16 ~~6.310.300 C.5.b and C.6.)~~

17 Section 4. Subsection 6.310.500.C of the Seattle Municipal Code, which section was last
18 amended by Ordinance 124524, is amended as follows:

19 **6.310.500 Taxicabs maximum number**

20 * * *

21 C. As an alternative to the license issuance process in subsection 6.310.500.D, ((F))the
22 Director may, at the Director's discretion, issue wheelchair accessible taxicab or wheelchair
23 accessible for-hire vehicle licenses to ((special service)) vehicles used to provide transportation

1 to disabled persons defined in K.C.C 6.64.010 or to handicapped persons as defined in Section
2 6.310.110. ~~((These licenses shall be non-transferable for a period of three years from the date of
3 issuance and shall not be included in calculating the maximum number of taxicab licenses
4 allowable pursuant to subsection A.))~~ Additionally, ~~((F))~~the Director may issue ~~((temporary and
5 nontransferable))~~ City of Seattle wheelchair accessible taxicab licenses to applicants ~~((individual
6 for hire drivers))~~ selected by King County for issuance of a King County wheelchair accessible
7 taxicab license. ~~((for a demonstration project to determine the economic feasibility of the long
8 term issuance of such licenses. This subsection shall take effect and be in force retroactively as
9 of the effective date of this ordinance.))~~ If a City of Seattle wheelchair accessible taxicab license
10 is awarded to a King County wheelchair accessible taxicab, then a dual license is created,
11 allowing the licensee to operate in both the City and County. The dual status of the licenses is
12 permanent, and the licenses must be transferred or leased together. Licenses issued under this
13 subsection 6.310.500.C shall be non-transferable for a period of three years from the date of
14 issuance and shall not be included in calculating the maximum number of taxicab licenses
15 allowable pursuant to subsections 6.310.500.A and 6.310.500.B.

16 * * *

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

22
23 Section 6. Any act consistent with the authority of this ordinance that is taken after its passage
24 but prior to its effective date is hereby ratified and confirmed.

1 Section 7. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 25th day of July, 2016, and
5 signed by me in open session in authentication of its passage this
6 25th day of July, 2016.

7 
8 _____

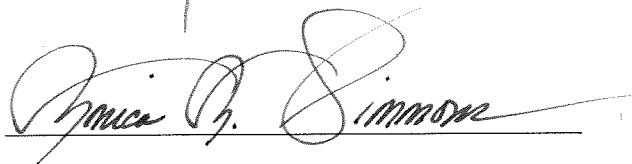
9 President _____ of the City Council

10
11 Approved by me this 29th day of July, 2016.

12 
13 _____

14 Edward B. Murray, Mayor

15
16 Filed by me this 29th day of July, 2016.

17 
18 _____

19 Monica Martinez Simmons, City Clerk

20
21
22 (Seal)