

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE related to transportation network company driver labor standards; concerning minimum compensation standards for transportation network company drivers; and adding a new Chapter 14.31 to the Seattle Municipal Code.

Summary and background of the Legislation:

This ordinance authorizes an evaluation of a compensation standard for Transportation Network Company (TNC) drivers that provides at least the equivalent of the “hourly minimum wage” established for Schedule 1 employers in Chapter 14.19 of the Seattle Municipal Code, plus reasonable expenses. The evaluation is to be conducted by the Department of Finance and Administrative Services in coordination with the Office of Labor Standards. The ordinance also authorizes FAS to contract with academic and/or policy researchers to conduct a study regarding a minimum compensation standard to inform FAS’ evaluation. Finally, the ordinance requires FAS and OLS must present a minimum compensation standard recommendation to the Mayor and Council and the Mayor must transmit proposed legislation implementing the same.

Following the completion of the study and passage of implementing legislation, TNCs will be required to pay the minimum compensation standard to TNC drivers.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

FAS is conducting the evaluation of a minimum compensation standard for TNC drivers within existing resources.

Following the completion of the study and passage of implementing legislation, TNCs will be required to pay the minimum compensation standard to TNC drivers. Additional funding

and/or positions needed to carry out the requirements of this bill may be detailed in additional 2020 legislation.

Is there financial cost or other impacts of *not* implementing the legislation?

There are no financial costs to the City of not implementing the legislation.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The Department of Finance and Administrative Services, in coordination with the Office of Labor Standards, will implement this ordinance.

b. Is a public hearing required for this legislation?

No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

e. Does this legislation affect a piece of property?

No.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

TNCs classify their drivers as independent contractors and represent that they are exempt from existing minimum labor standards established by federal, state, and local law. In 2018, the King County Department of Licensing issued 31,676 TNC driver permits. A large number of those drivers are immigrants and people of color who have taken on debt or invested their savings to purchase and/or lease vehicles to provide TNC services. Additionally, these drivers often lack basic information regarding the potential earnings and expenses associated with driving for a TNC. A 2019 Georgetown University Study titled *The Uber Workplace in D.C.* found that “100% of drivers experienced difficulties with, or barriers to, calculating their actual compensation.” This ordinance seeks to provide drivers minimum compensation plus expenses.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).

Following completion of the study outlined in this legislation and passage of implementing legislation, TNCs will be required to pay the minimum compensation standard to TNC drivers. The implementing legislation will include additional detail on enforcement efforts and performance standards.

List attachments/exhibits below: