



Legislation Text

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CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

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

WHEREAS, demand for wheelchair accessible taxis has been expressed by the Seattle Commission for People

with Disabilities; and

WHEREAS, King County has licensed wheelchair accessible taxicabs that are able to drop off passengers in the city but are not allowed to pick that same passenger back up contributing to customer complaints and greenhouse gas emissions; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

6.310.260 Transportation network company license eligibility and application

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

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

2. The license application shall include the following information:

a. The applicant transportation network company's name, business street address and post office box address (if any), business facsimile number, business phone number and business email address where the transportation network company representative can generally be reached between 9 a.m. and 5 p.m. on all nonholiday weekdays;

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

i. If the applicant transportation network company is individually owned, the

name, business address (or home address if no business address), telephone number, and date of birth of the owner, or

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

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

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

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

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

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

~~Rating of not less than B+ VII;~~

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

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

~~((g.))~~ f. ~~((By the first business day immediately following the conclusion of the provisional period, t))~~The registered owners of vehicles with a transportation network company endorsement, or the transportation network company on behalf of the registered owner must have on file with the City evidence that each vehicle has an insurance policy or binder proving compliance with State insurance requirements effective at that time. The insurance policy, and any related driver contracts if applicable, must be submitted to the Director. ~~((If there is no change to State insurance requirements by the conclusion of the provisional period, t))~~The TNC shall provide evidence that each vehicle affiliated with a transportation network company has insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident or in an amount no less than required by chapter 48.177 RCW, at any time while active on the TNC dispatch system. The insurance policy shall:

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

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

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

iv. Not include aggregate limits, or named driver requirements or exclusions.

Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are

subject to approval by the Director.

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

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

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

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

~~((l.))~~ j. The above application and information must be completed for each annual license renewal.

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

6.310.300 Taxicab and for-hire vehicle license application

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

1. Applicant type:

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

b. If the applicant is a corporation, limited liability company, partnership or other legal entity, the names, home addresses, telephone numbers and dates of birth (which must be at least ~~((eighteen ()18(()))~~ years before the date of application) for the corporation's or entity's officers, directors, general and managing partners, registered agents, and each person vested with authority to manage or direct the affairs of the legal entity or to bind the legal entity in dealings with third parties; the corporation's, limited liability

company's, partnership's, or entity's true legal name, state of incorporation or partnership registration (if any), business address and telephone and facsimile numbers and State of Washington business license number, and any other information that the Director may reasonably require.

2. Vehicle information, including the name of the taxicab association with which a taxicab is or will be affiliated, the taxicab or for-hire vehicle number assigned by any regulatory agency, the make, model, year, vehicle identification number, Washington State vehicle license plate number, and any other vehicle information required by rule or regulation promulgated under this ~~((chapter))~~ Chapter 6.310.

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

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

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

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

or 7) the for-hire driver has offered transportation services to a passenger. The insurance policy must be submitted to the Director. The insurance policy shall:

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

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

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

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

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

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

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

~~((iv.)) d. Not include aggregate limits, or named driver requirements or~~

exclusions. Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.

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

7. State of Washington vehicle registration.

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

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

~~((10. Reserved.))~~

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

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

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

~~**(6.310.335 Provisional Insurance Requirements**~~

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

~~1. File with the City evidence that each vehicle has liability insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000~~

per person, and \$300,000 per accident at any time while active on a TNC, application, radio, computer, taxicab or for-hire dispatch system, and/or when a taxicab or for-hire vehicle is 'operating,' which includes when: 1) there is a passenger in the vehicle; 2) the taxicab is parked in a taxi zone; 3) the taximeter is engaged; 4) the office dispatch records show that the vehicle had been dispatched; 5) the taxicab top light is illuminated; 6) the trip records shows that the vehicle has started a shift and there is no entry for ending a shift; or 7) the for-hire driver has offered transportation services to a passenger. The insurance policy, and any related driver contracts if applicable, must be submitted to the Director. The insurance policy shall:

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

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

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

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

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

6.310.500 Taxicabs maximum number

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C. As an alternative to the license issuance process in subsection 6.310.500.D, ((F))the Director may, at the Director's discretion, issue wheelchair accessible taxicab or wheelchair accessible for-hire vehicle licenses to ((special service)) vehicles used to provide transportation to disabled persons defined in K.C.C 6.64.010 or to

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

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

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

Section 7. 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 ____ day of _____, 2016, and signed by me in open session in authentication of its passage this ____ day of _____, 2016.

President _____ of the City Council

Approved by me this ____ day of _____, 2016.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2016.

Monica Martinez Simmons, City Clerk

(Seal)