

# 2021 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
BLG	034	A	002

**Budget Action Title:** Pass CB 119936 - Transportation Network Company (TNC) Deactivation Rights Ordinance Amendments

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Karina Bull

Council Bill or Resolution: CB 119936

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

## Budget Action Description:

This legislation would amend the Transportation Network Company (TNC) Deactivation Rights Ordinance (Ordinance 125976) to delay the effective date until July 1, 2021 or later; and reduce TNC coverage to companies reporting "200,000 or more trips" in the City in the last quarter.

In November 2019, Council passed the TNC Deactivation Rights Ordinance to establish protections for drivers against unwarranted deactivations; procedures for a neutral deactivation appeal process; and authority for the Office of Labor Standards (OLS) to contract with a Driver Resolution Center to represent drivers in arbitration proceedings and conduct outreach.

To address the uncertainty of funding from the TNC tax established by Seattle Municipal Code (SMC) 5.39 and reduced TNC trip volume during the COVID-19 emergency, OLS proposes amending the TNC Deactivation Rights Ordinance to delay the effective date and lower the threshold for TNC coverage.

The effective date would change from October 1, 2020 to the later of (1) July 1, 2021 if the City Budget Office (CBO) has certified to the City Clerk that the City has collected "sufficient revenues" from the TNC tax to fund implementation of the TNC Deactivation Rights Ordinance or (2) 60 days following such certification. "Sufficient revenues" would include (1) fixed costs of approximately \$1.4 million in the Department of Finance and Administrative Services to implement the TNC tax and \$500,000 in OLS to implement the TNC Deactivation Rights Ordinance; and (2) funding for the Driver Resolution Center (DRC).

The threshold for TNC coverage would change from companies reporting "more than 1 million trips" in the City in the last quarter to "200,000 or more trips" in the City in the last quarter. This threshold would align with TNC coverage requirements in the TNC Minimum Compensation Ordinance and a proposed

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amendment to the TNC tax.