

For-Hire Legislation

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Beth Gappert, Consumer Protection Division Director
Matthew Eng, Strategic Advisor



Today's Agenda

- Discuss Executive generated legislation (three bills) affecting the for-hire transportation industry
- Presentation will cover:
 - Background
 - Bill summary
 - Budget considerations
 - Partnership and coordination with King County



Background - Current Regulatory Structure

- The City partners with King County to regulate for-hire transportation, which includes:
 - Taxicabs (metered rates)
 - For-hire vehicles (flat rates)
 - Vehicles affiliated with transportation network companies (TNCs)
- The City and County license vehicles, drivers and companies each year and enforce code through inspections, audits and related activities



Background - Industry Changes

- Since 2014, the for-hire transportation environment has changed:
 - TNCs are convenient and popular
 - Taxicabs and for-hire vehicles are affordable and serve niche customer bases
 - State adopted TNC laws in 2022, including a minimum compensation standard and benefits for TNC drivers
 - Taxicabs and for-hire vehicles face outmoded regulations



Background - Purpose of the Legislation

- Coordinate with King County (companion legislation)
- Promote regulatory flexibility for taxi and for-hire vehicle medallion owners and drivers
- Align with recently adopted state TNC law
- Reflect ideas generated by the industry to help modernize and streamline regulation
- Address equity concerns



Background - RSJI Analysis and Implications

- Most medallion owners and drivers are immigrants and/or refugees, speak English as another language and are persons of color
- Staff recognize medallion owners and drivers face extensive regulation
 - Proposed changes aim to create equitable opportunities within the for-hire transportation industry and positioning taxis and for-hire vehicles to successfully compete



Background - Outreach and Engagement

- Partnered with the Department of Neighborhoods and its community liaison program to engage taxi and for-hire vehicle owners and drivers
 - Survey, focus groups and project updates in 2021 and 2022
- Spoke with representatives from taxi associations and for-hire vehicle companies and from Teamsters Local 117 and Drive Forward between 2021 and present
- Spoke with representatives from TNCs this year



Bill Summary - CB 120652

- Revises SMC Chapter 6.310 to be a TNC chapter
 - Removes language specifically addressing taxis and for-hire vehicles
- Aligns provisions of the SMC with State law, including:
 - Maximum model age for a vehicle
 - Minimum age for a driver and vehicle endorsement holder
 - Maximum number of driving hours in a 24-hour period
 - RCW citation for insurance requirements



Bill Summary - CB 120653

- Creates a new SMC Chapter 6.311 to regulate taxis and for-hire vehicles and accomplishes the following:
 - Creates operating reciprocity for medallion owners
 - Transitions all for-hire vehicles to taxicabs
 - Creates a temporary deactivation process for medallions
 - Requires adoption of new technology (smart taximeters)
 - Allows for dynamic pricing of trips
 - Simplifies enforcement, penalties and the appeals process



Bill Summary - CB 120656

- Authorizes the FAS director to execute a new for-hire transportation ILA with King County
 - Restates the broad responsibilities of each jurisdiction – vehicles (City) and drivers (King County)
 - Acknowledges the simplified enforcement and appeals process for taxis and for-hire vehicles
 - Does not impose new costs on the City



Budget Considerations

- FAS' 2024 proposed budget will request funding, supported by projected regulatory fee revenues, to pay for updates to Accela, the technology system used to help administer the regulatory program
 - Seattle IT estimates \$600,000 to accommodate the changes proposed in CB 120653
- FAS has sufficient staffing to undertake the rulemaking, outreach and language access, business process changes, etc. needed to implement the legislation



Partnership and Coordination with King County

- The King County Council is considering substantially similar ordinances on a similar timeline
- Departments from both the City and County hope to have the bills passed by Dec. 2023, to keep the effort coordinated and to align implementation dates

