

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
LEG	Tony Kilduff / 4-3580	Katherine Tassery / 5-0703

*\* 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 relating to taxicab, transportation network company, and for-hire vehicle drivers; amending Section 6.310.110; adding a new Section 6.310.735 to the Seattle Municipal Code; authorizing the election of driver representatives.

**Summary and background of the Legislation:**

This legislation establishes a framework that would require companies that hire or contract with for-hire drivers licensed to operate in the City to bargain the terms and conditions of work with a Driver Representative if a sufficient number of such drivers chose to be represented.

For-hire drivers are generally considered to be in independent contractors and as such are not covered by the National Labor Relations Act that provides for collective bargaining between employers and unions representing employees. This legislation establishes a framework locally to allow drivers to organize and bargain, through a selected representative, with the companies they work for. Through this legislation, the City would establish the process by which the driver representative is selected, and compels the parties to bargain. It also establishes penalties for failure to comply including the possible revocation of regulatory licenses.

**2. CAPITAL IMPROVEMENT PROGRAM**

**This legislation creates, funds, or amends a CIP Project.**

(If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Cost:</b>

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Please check one:

**This legislation has direct financial implications.** (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section.)

**This legislation does not have direct financial implications.**  
 (Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

<b>Budget program(s) affected:</b>				
<b>Estimated \$ Appropriation change:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
				<b>\$2,186,393</b>
<b>Estimated \$ Revenue change:</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
				<b>\$632,066</b>
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
		<b>3</b>		<b>3.0</b>
<b>Other departments affected:</b>	Finance and Administrative Services			

**3.a. Appropriations**

**This legislation adds, changes, or deletes appropriations.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

<b>Fund Name and number</b>	<b>Dept</b>	<b>Budget Control Level Name/#*</b>	<b>2015 Appropriation Change</b>	<b>2016 Estimated Appropriation Change</b>
Finance and Administrative Services Fund (50300)	Finance and Administrative Services	Regulatory Compliance and Consumer Protection (A4530)	\$0	\$2,186,393
<b>TOTAL</b>			<b>\$0</b>	<b>\$2,186,393</b>

\*See budget book to obtain the appropriate Budget Control Level for your department.

**Appropriations Notes:** The majority of the 2016 costs above is included in the 2016 Adopted Budget. The remainder will be requested through a supplemental or included as a budget request in the 2017-2018 Budget, depending on the timing of implementation of this ordinance. Implementation of software and development of Director’s Rules will require additional one-time resources up front with a lower amount of on-going investment in future years. See table below for detail on resource needs.

## Collective Bargaining Bill Expenditure Estimates

12/10/2015

<b><u>Included in 2016 Adopted Budget by Council greensheet</u></b>	<i>Not inflated</i>		
	<b>2016</b>	<b>2017 (est.)</b>	<b>2018 (est.)</b>
Positions	373,588	373,588	230,175
<i>Strategic Advisor 2</i>	143,413	143,413	143,413
<i>Strategic Advisor 2 (Sunset end of 2017)*</i>	143,413	143,413	
<i>Administrative Specialist III</i>	86,762	86,762	86,762
System work:			
Acquisition	1,100,000		
Project Management	143,413		
Ongoing licensing and maintenance	220,000	220,000	220,000
Legal counsel	142,500		
Accounting Services to assist with elections	150,000	150,000	150,000
<b>Total</b>	<b>2,129,501</b>	<b>743,588</b>	<b>600,175</b>

<b><u>Additional (expanded role of Director in 12/2015 Bill)</u></b>	<i>Not inflated</i>		
	<b>2016</b>	<b>2017 (est.)</b>	<b>2018 (est.)</b>
<i>*Strategic Advisor 2 Remove Sunset Provision</i>	-	-	143,413
Other - Technology, Facilities needs for new FTEs	56,892	11,856	11,856
<b>Grand Total</b>	<b>2,186,393</b>	<b>755,444</b>	<b>755,444</b>

\*The 2016 Adopted Budget included a sunset provision for one of the Strategic Advisor II positions at the end of 2017. To address the on-going work required by the process for agreement amendments outlined in the legislation, the sunset provision will be removed.

### 3.b. Revenues/Reimbursements

\_\_\_\_\_ This legislation adds, changes, or deletes revenues or reimbursements.

#### Anticipated Revenue/Reimbursement Resulting from this Legislation:

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2015 Revenue</b>	<b>2016 Estimated Revenue</b>
Finance and Administrative Services Fund (50300)	Finance and Administrative Services	Fees and penalties	\$0	\$632,066
<b>TOTAL</b>			<b>\$0</b>	<b>\$632,066</b>

Revenue/Reimbursement Notes:

Revenues would be raised through fees and penalties from industry participants in the taxi, for-hire, and transportation network companies. The Director has the authority to increase these fees without Council action. The legislation requires approximately \$0.06 increase in the per-trip fee or an equivalent flat amount for taxi, for-hire and TNC rides originating in the City of Seattle. This fee increase does not cover the entire anticipated cost in 2016, but will break even after 10 years if current trip increase trends continue.

**3.c. Positions**

**X** This legislation adds, changes, or deletes positions.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/ FT	2016 Positions	2016 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TBD. Included in 2016 Budget</b>	<b>Strategic Advisor II – FAS</b>	Finance and Administrative Services Fund (50300)	Regulatory Compliance and Consumer Protection (A4530)	<b>FT</b>	<b>1</b>	<b>1.0</b>	<b>No</b>
<b>TBD. Included in 2016 Budget</b>	<b>Strategic Advisor II – FAS*</b>	Finance and Administrative Services Fund (50300)	Regulatory Compliance and Consumer Protection (A4530)	<b>FT</b>	<b>1</b>	<b>1.0</b>	<b>No*</b>
<b>TBD. Included in 2016 Budget</b>	<b>Administrative Specialist III</b>	Finance and Administrative Services Fund (50300)	Regulatory Compliance and Consumer Protection (A4530)	<b>FT</b>	<b>1</b>	<b>1.0</b>	<b>No</b>
<b>TOTAL</b>					<b>3</b>	<b>3.0</b>	

Position Notes: The positions needed to perform the responsibilities created by this legislation are authorized in the 2016 Adopted Budget. If additional resources and positions are needed, they will be included in supplemental budget request or in the 2017-2018 Budget.

\*The 2016 Adopted Budget included a sunset provision for one of the Strategic Advisor II positions at the end of 2017. To address the on-going work required by the process for agreement amendments outlined in the legislation, the sunset provision will be removed.

#### 4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above? No.**
- b) **Is there financial cost or other impacts of not implementing the legislation? No**
- c) **Does this legislation affect any departments besides the originating department? No**
- d) **Is a public hearing required for this legislation? No**
- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No**
- f) **Does this legislation affect a piece of property? No**
- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? Yes**  
A very large number of for-hire drivers come from historically disadvantaged communities. Many are new immigrants to the US and English is not their first language, making it difficult for them to find jobs. Driving taxis, flat-rate, and TNC-endorsed vehicles is often the fastest and easiest path to regular work for them. Unfortunately, because they are vulnerable, they are often taken advantage of by the companies that hire them or contract with them. This legislation provides a mechanism to redress the imbalance of market power the currently exists in the industry.
- h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**  
By establishing a collective bargaining framework at the local level for a cohort of the labor force denied the protections of the NLRA, this legislation could have a significant impact nationwide.
- i) **Other Issues:**

**List attachments/exhibits below:**



City of Seattle Legislative Department  
Office of the City Clerk

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Date: January 28, 2016  
To: City Councilmembers  
From: Jodee Schwinn, Deputy City Clerk *JS*  
Subject: Correction of Summary and Fiscal Note to Council Bill 118499/Ordinance 124824

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At the December 14, 2015, Full Council meeting, the City Council passed Council Bill 118499 as amended. The title of the Bill is as follows:

“AN ORDINANCE relating to taxicab, transportation network company, and for-hire vehicle drivers; amending Sections 6.310.110 of the Seattle Municipal Code; adding a new Section 6.310.735 to the Seattle Municipal Code; and authorizing the election of driver representatives.”

The legislative record was updated with the amended version of Council Bill on December 14, 2015. On Wednesday, January 27, 2016, it was determined that the legislative record had not been updated with the correct version of the Summary and Fiscal Note.

Please be advised the legislative record for Council Bill 118499 was updated on January 28, 2016, with the correct version of the Summary and Fiscal Note.

cc: Monica Martinez Simmons, City Clerk  
Emilia M. Sanchez, Deputy City Clerk  
Tony Kilduff, Council Central Staff  
Council Bill 118499/Ordinance 124824