

CITY OF SEATTLE
ORDINANCE 126235
COUNCIL BILL 119936

AN ORDINANCE relating to transportation network company drivers; amending Section 14.32.040 of the Seattle Municipal Code to change the Transportation Network Company (TNC) coverage trip threshold; and amending the effective date of Ordinance 125976.

WHEREAS, in November 2019, the Seattle City Council passed Ordinance 125971 to add a new Chapter 5.39 to the Seattle Municipal Code that would impose a tax on transportation network companies (TNCs) beginning July 1, 2020, the purpose of which was to generate revenue to invest in affordable housing near transit, transportation and transit investments, and a driver resolution center to provide services to TNC drivers; and

WHEREAS, Chapter 5.39 imposed a tax on transportation network companies providing 1,000,000 trips per quarter or more on a per-ride basis and went into effect on July 1, 2020;

WHEREAS, also in November 2019, The City of Seattle (“City”) passed Ordinance 125976 creating Seattle Municipal Code Chapter 14.32, which will provide deactivation rights to Transportation Network Company (TNC) drivers and will establish the ability of the Office of Labor Standards to contract with a Driver Resolution Center to provide driver resolution services; and

WHEREAS, Seattle Municipal Code Chapter 14.32 applies to transportation network companies providing more than 1,000,000 trips per quarter or on a per-ride basis and their affiliated drivers, and will go into effect on October 1, 2020; and

WHEREAS, on March 11, 2020, the World Health Organization announced that the novel coronavirus (COVID-19) is officially a global pandemic; and

1 WHEREAS, on February 29, 2020, the Washington Governor issued Proclamation 20-05,
2 proclaiming a state of emergency for all counties throughout the state of Washington in
3 response to new cases of COVID-19; and

4 WHEREAS, on March 3, 2020, Mayor Durkan issued a Proclamation of Civil Emergency
5 declaring a civil emergency within the City of Seattle based on the confirmed spread of
6 COVID-19 in King County and the resulting deaths and illness; and

7 WHEREAS, the COVID-19 crisis and the state of emergency continue and are causing severe
8 harm to the economy and are significantly decreasing the number of TNC trips that
9 originate in the City of Seattle; and

10 WHEREAS, due to the significant impact of COVID-19, the number of TNC trips conducted
11 within the City of Seattle dropped from 6,836,378 combined trips in Quarter 2 of 2019 to
12 less than 1,000,000 combined trips in Quarter 2 of 2020; and

13 WHEREAS, establishing a reasonable standard for the deactivations of TNC drivers as well as
14 access to a neutral Deactivation Appeals Process in which unwarranted deactivations may
15 be challenged will help ensure that thousands of drivers who provide vital transportation
16 services in Seattle will be able enjoy a small measure of job security; and

17 WHEREAS, the drop in trips substantially impacted the available revenue with which to fund
18 activities related to implementing Seattle Municipal Code Chapter 14.32, including
19 funding the positions and activities necessary to support effective implementation,
20 outreach, education and enforcement by the Office of Labor Standards and investing in
21 the Driver Resolution Center; and

1 WHEREAS, the City remains committed to establishing protections against unwarranted
2 deactivations for TNC drivers despite the reduction in available revenue to fund the
3 implementation of Seattle Municipal Code Chapter 14.32; and

4 WHEREAS, given these circumstances, an effective date of October 1, 2020 for Seattle
5 Municipal Code Chapter 14.32, is impracticable; NOW, THEREFORE,

6 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

7 Section 1. Section 14.32.040 of the Seattle Municipal Code, enacted by Ordinance
8 125976, is amended as follows:

9 **14.32.040 TNC coverage**

10 A. TNCs that report (~~greater than 1,000,000~~) 200,000 or more trips that originate in
11 the City per the most recent quarterly report under Section 6.310.540 are covered under this
12 Chapter 14.32.

13 B. Separate entities that form an integrated enterprise shall be considered a single
14 TNC under this Chapter 14.32. Separate entities will be considered an integrated enterprise and a
15 single TNC under this Chapter 14.32 where a separate entity controls the operation of another
16 entity. The factors to consider include, but are not limited to:

- 17 1. Degree of interrelation between the operations of multiple entities;
- 18 2. Degree to which the entities share common management;
- 19 3. Centralized control of labor relations; and
- 20 4. Degree of common ownership or financial control over the entities.

21 Section 2. Section 5 of Ordinance 125976 is amended as follows:

22 Section 5. Section 2 of this ordinance shall take effect on (~~October 1, 2020~~):
23 July 1, 2021, provided the City Budget Office has certified to the City Clerk that the City

1 has collected sufficient revenues under Chapter 5.39 of the Seattle Municipal Code to
2 fund the implementation of this ordinance. If the City Budget Office has not filed such
3 certification by July 1, 2021, Section 2 of this ordinance shall take effect 60 days
4 following such certification.

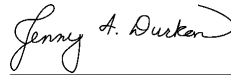
1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 23rd day of November, 2020,
5 and signed by me in open session in authentication of its passage this 23rd day of
6 November, 2020.



7 _____
8 President _____ of the City Council

9 Approved by me this 1st day of December, 2020.



10 _____
11 Jenny A. Durkan, Mayor

12 Filed by me this 1st day of December, 2020.



13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)