

# For-Hire Legislation

Sept. 14, 2023

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# 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

