



Legislation Text

File #: CB 119936, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

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

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

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

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

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

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

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

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

WHEREAS, given these circumstances, an effective date of October 1, 2020 for Seattle Municipal Code

Chapter 14.32, is impracticable; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

14.32.040 TNC coverage

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

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

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

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

Section 5. Section 2 of this ordinance shall take effect on (~~(October 1, 2020))~~ July 1, 2021, provided the City Budget Office has certified to the City Clerk that the City has collected sufficient revenues under Chapter 5.39 of the Seattle Municipal Code to fund the implementation of this ordinance. If the City Budget Office has not filed such certification by July 1, 2021, Section 2 of this ordinance shall take effect 60 days following such certification.

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

Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2020, and signed by
me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)