

DRAFT – FOR DISCUSSION PURPOSES

Ben Noble
FAS For-Hire Code Revision ORD
December 10, 2013

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to companies and drivers of a new type of for-hire vehicle in order to create a 24-month pilot program for transportation network companies and affiliated drivers: establishing minimum operating requirements for transportation network companies and affiliated for-hire drivers; creating a permit system; imposing vehicle inspections; imposing a zero tolerance drug use policy for affiliated drivers; imposing minimum insurance requirements for transportation network companies and affiliated for-hire vehicles; requiring rate transparency for transportation network companies; and establishing licensing fees for transportation network companies and affiliated drivers; raising the maximum number of taxicab licenses issued by the City; revising terminology; adding new sections to the Seattle Municipal Code; and amending various Sections of Chapter 6.310 of the Seattle Municipal Code;

Section 1. The City Council (“Council”) makes the following legislative findings of fact and declarations:

1. The Council finds that technology that allows consumers to directly dispatch drivers for trips via the internet using mobile interfaces such as smartphone applications, (“application dispatch”) did not exist in Seattle when for-hire driver and vehicle regulations were last amended by Ordinance 122763 in 2008; and

2. The Council caused a taxi, for-hire, and limousine services demand study (“demand study”) to be undertaken to evaluate passenger demand and assess the quality of service and the final study was completed by consultants on September 3, 2013; and

3. The Council finds, and the demand study supports, that the public is receptive to application dispatch technology and such technology is capturing a growing share of the traditional taxicab and for-hire vehicle market, especially during periods of peak demand¹; and

¹ 2013 City of Seattle and King County Taxi, For Hire Vehicle and Limousine Services Demand Study, Final Report, page 22

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1 4. The Council finds, and the demand study supports, that some companies using
2 application dispatch technology to offer transportation services in Seattle are unlicensed and
3 affiliated with unlicensed for-hire drivers (unlicensed drivers) and vehicles¹; and

4 5. The Council finds that as the use of application dispatch technology by unlicensed
5 companies, vehicles, and drivers raises significant public safety and consumer protection
6 concerns; and

7 6. The Council finds that the use of application dispatch technology by unlicensed
8 companies and drivers are competing with existing licensed taxicab and for-hire drivers in the
9 transportation market and causing negative impacts; and

10 7. The Council finds that unlicensed drivers using application dispatch technology are
11 providing trips as for-hire drivers via a new type of for-hire vehicle because they are operating
12 motor vehicles used for the transportation of passengers for compensation and these drivers are
13 currently operating illegally without for-hire driver licenses or regulatory oversight; and

14 8. The Council finds that companies providing transportation services via application
15 dispatch with unlicensed affiliated drivers are operating illegally without a license or regulatory
16 oversight; and

17 9. The Council finds that there is no gratuitous purpose for offering and receiving
18 transportation services, and unlicensed drivers and companies using application dispatch
19 technology offer transportation services for compensation for the following nonexclusive
20 reasons: the companies are registered for-profit corporations, drivers are recruited with promises
21 to be paid, drivers intend to be paid, and passengers are paying for services rendered; and

22 10. The Council finds that the creation of a pilot program, establishing minimum
23 operating requirements for unlicensed drivers and unlicensed companies using application
24 dispatch technology is appropriate and necessary to protect the safety of the public; and

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27 ¹ *Id.*

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1 11. The Council finds a pilot program establishing transparency of rates prior to a
2 passenger initiating a ride via application dispatch is appropriate and necessary for consumer
3 protection; and

4 12. The Council finds that the creation of a pilot program regulating unlicensed
5 companies and affiliated drivers using application dispatch technology will promote fair
6 competition among other licensed transportation providers; and

7 13. The Council finds that the creation of a pilot program strikes a balance between
8 safety and innovation, so that regulation provides a safety net that the public can rely on for its
9 protection while new businesses innovate and use technology to better the lives of
10 Washingtonians;

11 14. The Council finds that the issuance of an additional 50 taxicab licenses as authorized
12 by SMC 6.310.500(D) would promote fair competition and meet current and future demand for
13 efficient and economical taxicab service; and

14 15. The Council finds it necessary to review the pilot program to ensure it is fulfilling its
15 purpose of promoting public safety, consumer protection and fair competition, so City Council
16 will assess the benefits and any negative unintended consequences of the pilot program by no
17 later than June 30, 2015, and if no further action is taken by City Council, the program will
18 automatically sunset on December 31, 2015; and

19 16. The Council finds that it has the authority to establish code to regulate for-hire
20 vehicles as granted by Article 11, Section 11 of the Washington State Constitution and RCW
21 46.72.160.

22 NOW, THEREFORE,

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

24 Section 2. Section 6.310.100 of the Seattle Municipal Code, last amended by Ordinance
25 118341, is amended as follows:

26 **SMC 6.310.100**

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Purpose.

A. Transportation network companies (TNC) provide application dispatch services (technology that allows consumers to directly request dispatch of for-hire drivers for trips via the internet using mobile interfaces such as smartphone applications,) to connect drivers with passengers for transportation services. While active on a TNC dispatch system, TNC drivers are for-hire drivers operating for-hire vehicles. The ordinance codified in this chapter is an exercise of The City of Seattle's power to license for-hire vehicles, taxicabs, for-hire drivers ((and)) taxicab associations, transportation network companies, and issue transportation network company permits, for regulations and revenue. Some of its regulatory purposes are to increase the safety, reliability, cost-effectiveness, and the economic viability and stability of privately-operated for-hire vehicle and taxicab services within The City of Seattle. This chapter is not intended to regulate limousines and is consistent and compliant with RCW Chapter 46.72A.

B. The Director shall not issue or renew any TNC driver permits or TNC licenses that would allow a TNC driver permittee or TNC to operate beyond December 31, 2015. Any TNC driver permits or TNC licenses whose expiration date would fall beyond December 31, 2015 shall expire on January 1, 2016.

C. The Director may issue a moratorium suspending the issuance of TNC driver permits or TNC licenses upon finding that the continued issuance of TNC driver permits or licenses threatens public safety or raises substantial consumer protection concerns. In making such a finding the Director may consider, but is not limited to considering: consumer complaints, the stability of the market for taxi and for-hire transportation services, consumer demand for transportation services, and the financial viability of transportation service providers. Where the issuance of TNC driver permits or licenses has been suspended pursuant to this section, the suspension shall last no more than 180 days.

Section 3. Section 6.310.110 of the Seattle Municipal Code, last amended by Ordinance 123361, is amended as follows:

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1 **SMC 6.310.110**

2 **Definitions.**

3 For the purposes of this chapter and unless the context plainly requires otherwise, the
4 following definitions apply:

5 “Active on the TNC dispatch system” includes but is not limited to: when the driver is logged
6 onto the transportation network company (TNC) application dispatch system showing that the
7 driver is available to pick up passengers; when a passenger is in the vehicle; when TNC
8 dispatch records show the vehicle is dispatched; or when the driver has accepted a dispatch and
9 is enroute to provide transportation services to a passenger.

10 "Affected licensee" means any licensee that may incur some penalty as a result of a violation.
11 For example, if a for-hire driver of a taxicab commits a violation, the for-hire driver, the
12 taxicab owner, and the taxicab association with which that taxicab is associated are all affected
13 licensees.

14 "Affiliated taxicab" means a taxicab licensed to operate within a particular taxicab association.

15 “Application dispatch” means technology that allows consumers to directly request dispatch of
16 for-hire drivers for trips via the internet using mobile interfaces such as smartphone
17 applications.

18 "Approved mechanic" means a mechanic on a list maintained by the Director. The list shall
19 contain the name of each mechanic that has applied to the Director for inclusion and who (1)
20 has met all requirements of the National Institute for Automotive Service Excellence, (2) has
21 been awarded a Certificate in Evidence of Competence satisfactory to the Director, (3) does
22 not own, lease or drive a taxicab or for-hire vehicle, and (4) has no financial interest, including
23 any employment interest, in any taxicab association, taxicab or for-hire vehicle or in any
24 company that owns or leases taxicabs or for-hire vehicles.

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1 "Certificate of Safety" means a document from an approved mechanic certifying that a
2 particular vehicle meets all vehicle safety standards set forth in this chapter and in regulations
3 adopted pursuant to this chapter.

4 "Committed a violation" means that a licensee has been issued a Notice of Violation and either
5 has not contested the violation or did contest the violation but lost.

6 "Community Development Financial Institution" means a non-profit loan fund certified by the
7 Community Development Financial Institution Fund of the U.S. Department of the Treasury,
8 that serves economically distressed communities and underserved populations by providing
9 credit, capital and financial services that are normally unavailable from traditional financial
10 institutions.

11 "Compensation" means remuneration or anything of economic value that is provided,
12 promised, or donated primarily in exchange for services rendered. This includes, but is not
13 limited to voluntary donations, fee-sharing between a taxicab association or transportation
14 network company and an affiliated driver, advertisement of a taxicab association or
15 transportation network company services, and increased patronage for taxicab association or
16 transportation network company services.

17 "Contract rate" means the rate specified in a written contract signed by both parties before the
18 dispatch of a taxicab or for-hire vehicle for the services identified in the contract. Contracts for
19 package delivery may be made on an oral basis.

20 "Department" means the Department of Finance and Administrative Services of The City of
21 Seattle, or any department that succeeds to the Department's duties under this chapter.

22 "Director" means the Director of Finance and Administrative Services or the director of any
23 successor department and the Director's authorized designee.

24 "For-hire driver" means any person in physical control of a taxicab or for-hire vehicle, who is
25 required to be licensed or permitted under this chapter. The term includes a lease driver,

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1 owner/operator, or employee, who drives taxicabs or for-hire vehicles, including vehicles
2 dispatched by transportation network companies.

3 “For-hire vehicle” means any motor vehicle used for the transportation of passengers for
4 compensation, except:

- 5 1. Taxicabs as defined in this chapter;
- 6 2. School buses operating exclusively under a contract to a school district;
- 7 3. Ride-sharing vehicles under Chapter 46.74 RCW;
- 8 4. Limousine carriers licensed under Chapter ~~((81.90))~~ 46.72A RCW;
- 9 5. Vehicles used by nonprofit transportation providers solely for elderly or handicapped
10 persons and their attendants under Chapter 81.66 RCW;
- 11 6. Vehicles used by auto transportation companies licensed under Chapter 81.68 RCW;
- 12 7. Vehicles used to provide courtesy transportation at no charge to and from parking lots,
13 hotels, and rental offices; and
- 14 8. Vehicles licensed under, and used to provide "charter party carrier" and "excursion service
15 carrier" services as defined in, and required by, Chapter 81.70 RCW.

16 "Handicapped person" means any person who, by reason of illness, injury, age, congenital
17 malfunction, or other permanent or temporary incapacity or disability, is unable without special
18 facilities or special planning or design to use mass transportation facilities and services as
19 efficiently as persons who are not so affected. Handicapped persons include ambulatory
20 persons whose capacities are hindered by sensory disabilities such as blindness or deafness,
21 such mental disabilities as mental retardation or emotional illness, and physical disabilities that
22 still permit the person to walk comfortably, or a combination of these disabilities. It also
23 includes a semiambulatory person who requires such special aids to travel as canes, crutches,
24 walkers, respirators, or human assistance, and a nonambulatory person who must use
25 wheelchairs or wheelchair-like equipment to travel.

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1 “Knowingly permit” means (1) to know of an action or condition that violates this chapter or
2 any regulation promulgated pursuant to this chapter, and (2) to fail to take reasonable steps to
3 cure the violation and to prevent future violations. There is a rebuttable presumption that a
4 person knows a fact, action or condition of which a reasonable person in the same position
5 would have knowledge.

6 "Lease driver" means a for-hire driver who is an independent contractor/sole proprietor who
7 has leased a taxicab or for-hire vehicle from a taxicab or for-hire vehicle licensee or taxicab
8 association.

9 "Lender" means a bank, trust company, mutual savings bank, savings and loan association, or
10 credit union authorized to do business and accept deposits in this state under state or federal
11 law and includes a Community Development Financial Institution qualified and approved by
12 the Director to provide loans to licensees under Section 6.310.380

13 “Lessor” means a licensee of a taxicab or for-hire vehicle who leases to a lease driver.

14 "Licensee" means any person or entity licensed under this chapter, including for-hire drivers,
15 taxicab or for-hire vehicle owners, ~~((and))~~ taxicab associations, and transportation network
16 companies.

17 "Motor vehicle" means every motorized vehicle by or upon which any person may be
18 transported or carried upon a public street, highway or alley; provided, that vehicles used
19 exclusively upon stationary rail tracks or propelled by use of overhead electric wires are not
20 considered motor vehicles for purposes of this chapter.

21 "Operating in The City of Seattle" means owning, leasing, advertising, driving, occupying
22 and/or otherwise using a taxicab or for-hire vehicle that at any time transports any passenger or
23 item for compensation from a point within the geographical confines of The City of Seattle.
24 The vehicle is considered to be operating during the administering of inspections at the City's
25 inspection facility. The term does not include being in control of a vehicle that is physically
26 inoperable. A taxicab association is "operating in The City of Seattle" if it represents or

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1 includes any taxicab that at any time transports any passenger or item for compensation from a
2 point within the geographical confines of The City of Seattle. A transportation network
3 company is “operating in The City of Seattle” if it provides application dispatch services to any
4 affiliated driver at any time for the transport of any passenger for compensation from a point
5 within the geographical confines of The City of Seattle.

6 "Owner" means the person whose lawful right of possession of a taxicab or for-hire vehicle has
7 most recently been recorded with the state Department of Motor Vehicles.

8 "Senior Citizen" means any person over the age of 60 with a valid identification confirming
9 that person's age.

10 "Prearranged trip" means a trip made for compensation by a for-hire vehicle that was requested
11 by the passenger by either contacting the business office of the for-hire vehicle operator or via
12 application dispatch. Confirmation that the for-hire driver has accepted the passenger’s request
13 for transportation service must occur prior to initiating the trip. A trip is initiated when a
14 passenger enters the vehicle.

15 "Special rate" means discounted rates for senior citizens and handicapped persons.

16 "Taxicab" means every motor vehicle:

- 17 1. That is held out to the public as providing transportation to passengers or articles for hire;
- 18 2. Where the route traveled or destination is controlled by the customer;
- 19 3. That carries signs or indicia of a taxicab, including the words "taxi," "taxicab," or "cab"; and
- 20 4. Where the fare is based on an amount recorded and indicated on a taximeter, or by a special
- 21 contract rate permitted under this chapter. Despite the foregoing, "taxicab" does not include
- 22 those vehicles listed in Section 6.310.110 J2-J8 or for-hire vehicles.

23 "Taxicab association" means a person or ~~((organization))~~ entity licensed under this chapter that
24 represents or owns at least 15 taxicabs licensed by the City that use the same color scheme,
25 trade name, and dispatch services. An individual person may be a taxicab association as long
26 as that individual owns or represents at least 15 taxicabs and otherwise meets the requirements

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1 of this chapter; provided, that for taxicab associations formed in connection with the
2 wheelchair accessible taxicab demonstration project provided for under this chapter, the
3 Director may waive the requirement for such taxicab associations to have 15 licensed taxicabs
4 and any taxicab association license fee for the duration of the demonstration project.

5 "Taxicab association representative" means the person or persons that a taxicab association has
6 authorized to:

- 7 1. File applications, special contract rates and charges on behalf of the taxicab association and
8 individual owners in the taxicab association; and
- 9 2. Receive and accept all correspondence and notices from the City pertaining to the taxicab
10 association, or to the taxicabs, taxicab owners and/or for-hire drivers operating within the
11 taxicab association; and
- 12 3. Forward any correspondence, notices and/or legal process received by the association and
13 intended for a taxicab owner and/or taxicab driver operating within the taxicab association.

14 "Taximeter" means any instrument or device by which the charge for hire of a passenger
15 carrying vehicle is measured or calculated either for the distance traveled by such vehicle or
16 for waiting time, or for both, and upon which such calculated charges shall be indicated by
17 means of figures.

18 "Trade dress" means the unique visual element associated with a transportation network
19 company that is attached to a vehicle affiliated with a TNC so the public and passengers can
20 identify the vehicle as being associated with that particular TNC. Trade dresses are not
21 mandatory and must be approved by the Director.

22 "Transportation network company" (TNC) means a person or entity licensed under this chapter
23 affiliated with at least 15 but no more than 100 licensed or permitted TNC drivers that provides
24 application dispatch services via one unique application dispatch system to connect TNC
25 drivers, driving TNC-affiliated vehicles, with passengers for the transport of passengers for

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1 compensation and meeting the licensing requirements of SMC 6.310.130 and any other
2 requirements under this chapter.

3 “Transportation network company driver” means a licensed for-hire driver or transportation
4 network company driver permittee affiliated with and accepting dispatched trips from a
5 licensed transportation network company, using a TNC-affiliated vehicle.

6 “Transportation network company driver permittee” means a driver with a transportation
7 network company driver permit affiliated with and accepting only application-dispatched trips
8 from a licensed transportation network company, using a TNC-affiliated vehicle, and meeting
9 the requirements set forth in SMC 6.310.130.

10 "Transportation network company representative" means the person or persons that a
11 transportation network company has authorized to:

- 12 1. File applications, rates and charges on behalf of the transportation network;
- 13 2. Receive and accept all correspondence and notices from the City pertaining to the
14 transportation network company, or to affiliated drivers operating within the transportation
15 network company; and
- 16 3. Forward any correspondence, notices and/or legal process received by the transportation
17 network company and intended for an affiliated driver operating within the transportation
18 network company.

19 "Wheelchair accessible taxicab" or “Wheelchair accessible for-hire vehicle” means a taxicab or
20 for-hire vehicle designed or modified to transport passengers in wheelchairs or other mobility
21 devices and conforming to the requirements of the Americans with Disabilities Act (ADA),
22 and inspected and approved by the Director.

23 Section 4. Section 6.310.125 of the Seattle Municipal Code, last amended by Ordinance
24 121738, is amended as follows:

25 **SMC 6.310.125**

26 **Violation classifications.**

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1 A. Requirements contained within this chapter shall specify violation classifications in
2 parentheses for the purpose of assessing monetary penalties and penalty points. General
3 provisions for penalty enforcement are set forth in SMC6.310.600, 6.310.605, 6.310.610, and
4 6.310.635. Monetary penalties and penalty points for each violation classification are
5 specifically set forth in SMC 6.310.605.

6 B. Violation classifications are as follows:

- 7 1. Class A - violations of administrative or non-safety requirements.
- 8 2. Class B - violations of safety requirements.
- 9 3. Class C - other serious violations.
- 10 4. Suspensions, revocations, and denials of licenses are imposed when taxicab associations,
11 transportation network companies, transportation network company driver permittees, taxicab
12 licensees, or for-hire drivers fail to comply with licensing or permitting requirements pursuant
13 to this chapter, or there is an immediate safety concern with the taxicab or for-hire vehicle.

14 Section 5. Section 6.310.130 of the Seattle Municipal Code, last amended by Ordinance
15 119872, is amended as follows:

16 **SMC 6.310.130**

17 **Licenses required.**

18 A. It is unlawful to own, lease, drive or otherwise operate within The City of Seattle any
19 taxicab or for-hire vehicle, not affiliated with and dispatched by a licensed transportation
20 network company, within the scope of this chapter, unless:

- 21 1. The for-hire driver has a valid license issued under this chapter;
- 22 2. The for-hire vehicle or taxicab has a valid license issued under this chapter.
- 23 3. If the vehicle is a taxicab, the taxicab is affiliated with a taxicab association licensed under
24 this chapter;
- 25 4. The for-hire driver that operates a taxicab is affiliated with a taxicab association licensed
26 under this chapter.

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1 B. It is unlawful to operate within the City of Seattle a vehicle affiliated with and dispatched
2 by a transportation network company and serve as a transportation network company driver,
3 unless the driver has either a transportation network company driver permit or a for-hire
4 driver’s license.

5 ~~((B-))~~C. It is unlawful to operate a taxicab association within the City without a valid license
6 issued pursuant to this chapter.

7 D. It is unlawful to operate as a transportation network company within the City of Seattle
8 without a valid license issued under this chapter.

9 E. It is unlawful to operate an application dispatch system within the City of Seattle unless:

10 1. The person or entity is a licensed transportation network company; or

11 2. The person or entity uses the application dispatch system exclusively for licensed
12 taxicabs and/or licensed for-hire vehicles.

13 ~~((C-))~~E. The regulatory licenses and permits issued to for-hire drivers, TNC driver permittees,
14 for-hire vehicles, taxicabs, ~~((and))~~ taxicab associations, and transportation network companies
15 under this chapter shall be suspended by the Director if the for-hire driver, TNC driver
16 permittee, for-hire vehicle, taxicab, ~~((or))~~ taxicab association, or transportation network
17 company does not maintain a required current business license issued by The City of Seattle.

18 Section 6. Section 6.310.150 of the Seattle Municipal Code, last amended by Ordinance
19 123472, is amended as follows:

20 **SMC 6.310.150**

21 **Fees.**

22 ***

23 C. For-hire driver license:

24 Annual fee \$50

25 Add/change affiliation* \$20

26 Late fee \$15

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- 1 ID photo \$5
- 2 Fingerprinting Charge as determined by Director to cover costs
- 3 Replacement license \$5
- 4 Training class fee As determined by Director

5 * For-hire drivers may only be affiliated with a combined maximum of three taxicab
 6 associations or transportation network companies at any given time((-)), and are specifically
 7 limited to a single transportation network company. This fee is only charged when the driver is
 8 affiliated with three taxicab associations or transportation network companies and now wants
 9 to delete one association or company and add another.

10 D. Transportation Network Company (TNC) Driver’s Permit:

- 11 Annual fee \$50
- 12 Change affiliation** \$20
- 13 Late fee \$15
- 14 ID photo \$5
- 15 Fingerprinting Charge as determined by Director to cover costs
- 16 Replacement license \$5
- 17 Training class fee As determined by Director

18 ** TNC permit drivers shall be affiliated with only one transportation network company at any
 19 given time.

20 E. Transportation Network Company:

21 Annual fee \$50,000.00 for the first year; for the second year and thereafter, either .35% of
 22 annual gross revenue or \$50,000.00, whichever is greater.

23 Section 7. A new section 6.310.260 to Seattle Municipal Code is adopted, as follows:

24 **SMC 6.310.260**

25 **Transportation Network Company – License Eligibility and Application.**

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1 A. Any business or individual desiring to operate as a transportation network company within
2 the city of Seattle shall file with the Director a signed and notarized transportation network
3 company license application on forms provided by the Director.

4 1. To be eligible for a license, the transportation network company is:

- 5 a. Prohibited from providing application dispatch services to licensed taxicabs;
- 6 and
- 7 b. Limited to providing application dispatch services to transportation network
- 8 company drivers meeting the requirements set forth in SMC 6.310.452; and
- 9 c. Required to be affiliated with a minimum of 15, but not more than 100
- 10 transportation network company drivers.

11 2. The license application shall include the following information:

12 a. The applicant transportation network company’s name, business street address and
13 Post Office box address (if any), business facsimile number, business phone number and
14 business email address where the transportation network company representative can generally
15 be reached between nine a.m. (9:00 a.m.) and five p.m. (5:00 p.m.) on all nonholiday
16 weekdays;

17 b. The form of business entity under which the association will operate (e.g.
18 corporation, partnership, cooperative association);

19 i. If the applicant transportation network company is individually owned, the
20 name, business address (or home address if no business address), telephone number and date of
21 birth of the owner, or

22 ii. If the applicant transportation network company is a corporation, partnership
23 or other business entity, the names, home and business addresses, telephone numbers, and date
24 of birth of all officers, directors, general and managing partners, registered agents, and of all
25 other persons vested with authority to manage or direct the affairs of the legal entity or to bind
26 the legal entity in dealings with third parties, and the entity's true legal name, state of

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1 incorporation or registration with the Secretary of State of the State of Washington (if any) and
2 State of Washington business license number, and any other information that the Director may
3 reasonably require;

4 c. Verification of applicant’s unique application dispatch system, as approved by the
5 Director;

6 d. The trade dress the applicant transportation network company proposes to use, if any,
7 for each affiliated driver’s vehicle, with a photo of the trade dress submitted with the
8 application. The trade dress may be placed on the vehicle body, but not on the roof or covering
9 any windows, vehicle lights, or obscuring the view of any mirrors, and cannot exceed 4 square
10 feet;

11 e. The name, address, phone number and date of birth of the transportation network
12 company representative;

13 f. The for-hire driver license number or TNC driver permit number (assigned by the
14 County), vehicle make, model, and year, and the name of each transportation network
15 company driver affiliated with the transportation network company;

16 g. Evidence that each vehicle affiliated with a transportation network has insurance in
17 an amount no less than required by RCW 46.72.050, at any time while active on the TNC
18 dispatch system.

19 h. Evidence that the transportation network company has auto liability insurance that
20 provides a minimum of \$1,000,000 per accident coverage for accidents involving a
21 transportation network company driver and vehicle while active on the TNC dispatch system
22 and meets state requirements per RCW 46.72.050. The Director may require a statement on
23 Department of Licensing letterhead verifying that the policy meets state requirements. In
24 addition, the Director shall review the insurance policy to determine that it adequately protects
25 the public. The insurance policy or insurance binder must be submitted to the Director and
26 shall:

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1 i. Be issued by an admitted carrier in the State of Washington with an A.M. Best
2 Rating of not less than A- VII; provided however, that the Director may temporarily suspend
3 any or all of these requirements if no other viable insurance options are available to the
4 industry,

5 ii. Name The City of Seattle as an additional insured,

6 iii. Provide that the insurer will notify the Director, in writing, of any
7 cancellation and/or non-renewal at least 30 days before that cancellation and/or non-renewal
8 takes effect, and

9 iv. Not include self-insured retention, nonstandard deductibles, aggregate limits,
10 territorial restrictions, named driver requirements, or any other provisions that limit insurance
11 coverage.

12 v. In the event the TNC driver fails to maintain insurance, or the TNC driver’s
13 personal or commercial auto insurance denies coverage for the claim, or limits of insurance are
14 exhausted due to payment of claim, the Transportation Network Company’s auto coverage
15 shall drop down and provide primary coverage.

16 vi. Provides uninsured/underinsured motorist coverage for bodily injury and
17 property damages with limits no less than \$100,000 each person, and \$300,000 each accident
18 or \$300,000 combined single limit of liability to any for-hire vehicle affiliated with the
19 transportation network company.

20 i. State of Washington for-hire certificate as required by RCW 46.72.070, and a City
21 for-hire driver’s license or TNC driver permit for each transportation network company driver.

22 j. State of Washington vehicle registration for each for-hire vehicle affiliated with the
23 transportation network company.

24 k. Certificate of 19-point inspection for each for-hire vehicle affiliated with the
25 transportation network company as required in SMC Section 6.310.270(Y).

26 l. Any other information required by regulations adopted pursuant to this chapter.

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1 m. The above application and information must be completed for each annual license
2 renewal.

3 B. All applications submitted to the Director must be accompanied by the license fee set forth
4 in SMC Section 6.310.150.

5 C. The transportation network company applicant or licensee must inform the Director in
6 writing within seven days if any of the information provided pursuant to subsection A of this
7 section changes, ceases to be true or is superseded in any way by new information.

8 D. A transportation network company license is valid for no more than one year. No
9 transportation network company license may be renewed unless the renewal fee has been paid
10 and all outstanding penalties assessed against the transportation network company and its
11 affiliated drivers have been paid to the Director. The Director shall not renew the
12 transportation network company license unless the Director determines that the transportation
13 network company’s continued operation is in the public interest. All denials of renewal
14 applications must be set forth in writing, together with the reasons for denial. The written
15 denial shall be delivered either personally or by first class mail to the address provided by the
16 applicant on the license renewal application.

17 Section 8. A new section 6.310.265 to Seattle Municipal Code is adopted, as follows:

18 **SMC 6.310.265**

19 **Transportation network company —Standards for license application or renewal denial.**

20 A. The operation of a transportation network company is a privilege, not a right. The
21 transportation network company’s ability to satisfy stated criteria for a transportation network
22 company license does not create a right to a transportation network company license.

23 B. The Director shall deny any transportation network company license application if the
24 Director determines that:

- 25 1. The applicant represents more than 100 affiliated drivers;
- 26 2. The applicant represents fewer than 15 affiliated drivers;

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- 3. The applicant fails to submit proof of insurance as required by SMC 6.310.260.
- 4. The applicant provides application dispatch services to licensed taxicabs;
- 5. The applicant provides application dispatch services to anyone other than transportation network company drivers meeting the requirements set forth in SMC 6.310.452;
- 6. The applicant uses more than one application dispatch system;
- 7. The applicant leases, permits, or otherwise allows others to use its application dispatch system;
- 8. The applicant affiliates with and provides application dispatch services to unlicensed or unpermitted affiliated drivers;
- 9. The applicant allows an affiliated vehicle, except for City licensed for-hire vehicles, to be active on its network for more than 16 hours in a given week.
- 10. The application has a material misstatement or omission;
- 11. The application is incomplete; and/or
- 12. Within three (3) years of the date of application, the applicant, or any owner, officer, director, managing partner, general partner or principal of the applicant, has had a bail forfeiture, conviction or other final adverse finding for crimes of fraud, theft, larceny, extortion, embezzlement, racketeering, Uniform Controlled Substances Act, prostitution, alcohol and/or narcotics where the commission of such crime(s) involved a transportation network company (TNC), vehicle affiliated with a TNC, or TNC driver.

C. The Director may deny any transportation network company license application if the Director determines that, within five (5) years of the date of application, the transportation network company applicant, or if the transportation network company applicant is a business entity, any officer, director, managing partner, general partner, registered agent or principal of the transportation network company:

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1 1. Within five (5) years of the date of application, has had a bail forfeiture, conviction
2 or other final adverse finding involving crimes directly related to the applicant's ability to
3 operate a transportation network company, including but not limited to prostitution, gambling,
4 fraud, larceny, extortion, income tax evasion; and/or

5 2. Has exhibited past conduct, as evidenced by a criminal conviction, bail forfeiture or
6 other final adverse finding (including in a civil suit or administrative proceeding) in operating a
7 transportation network company, business or vehicle that would lead the Director to reasonably
8 conclude that the applicant will not fulfill the transportation network company responsibilities
9 and requirements set forth in this chapter.

10 3. Has failed to meet one or more operating responsibilities as detailed in
11 SMC6.310.270.

12 Section 9. A new section 6.310.270 to Seattle Municipal Code is adopted, as follows:

13 **SMC 6.310.270**

14 **Transportation network company—Operating responsibilities.**

15 In addition to meeting the license application requirements set forth in Section
16 6.310.260, the transportation network company must:

17 A. Maintain a business office in the City of Seattle that:

18 1. Is open and personally staffed all business days between nine a.m. (9:00 a.m.) and
19 five p.m. (5:00 p.m.) (Class A);

20 2. Has a toll-free business telephone number and toll-free passenger complaint hotline
21 that is answered during all hours that affiliated drivers are operating. (Class A);

22 3. Has a mailing address and email address where the transportation network company
23 representative will accept mail. (Class A);

24 4. Stores all records that this chapter requires the transportation network company to
25 maintain including, but not limited to, copies of for-hire drivers licenses or TNC driver permits
26 of affiliated drivers, lists of all affiliated drivers and their affiliated vehicles, vehicle repair and
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1 service records, passenger comment records, new driver training records, vehicle insurance
2 policies, vehicle registrations, and passenger complaint records. Records may be maintained
3 electronically. (Class A — each requirement);

4 5. Provides secure storage for all items left in an affiliated driver’s vehicle by patrons
5 and turned in by affiliated drivers. (Class A);

6 B. Ensure that each affiliated driver’s vehicle is insured as required in SMC Sections 6.310.260
7 and SMC 6.310.403. (revocation and Class C);

8 C. Ensure that each affiliated vehicle maintains the transportation network company’s dress
9 trade, if any, at all times while active on the TNC dispatch system. (Class B);

10 D. Ensure that TNC drivers do not accept payment of fare or tips. Payment shall only be made
11 electronically via the TNC application dispatch system. (Class B);

12 E. Ensure that TNC drivers do no pick up hails (revocation and Class C);

13 F. Ensure that TNC driver permittees do not take trips not dispatched by the TNC. (revocation
14 and Class C);

15 G. Require that passengers be able to view a picture of the driver and vehicle license plate
16 number on their smart phone before the trip is initiated. (Class B);

17 H. May maintain a rating platform for TNC drivers and passengers to rate each other
18 following a trip. TNCs shall ensure that such ratings are not based on unlawful discrimination,
19 and that drivers do not discriminate against passengers or potential passengers on the basis of
20 geographic endpoints of the ride, race, color, national origin, sex, disability, age, or sexual
21 orientation/identity. (Class B);

22 1. One year from the effective date of this ordinance, the TNC shall submit to the
23 Director a report detailing all rides that were requested but not accepted by TNC drivers. The
24 report shall include the location and zip code of each rejected ride. (Class A);

25 I. Maintain on file at the transportation network company’s place of business proof of
26 insurance required by SMC 6.310.260 and SMC 6.310.403. (Class A);

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1 J. Maintain TNC insurance as required by SMC Section 6.310.260, (Class C); provided, that if
2 the insurance policy lapses or is canceled, or a vehicle is deleted from the policy, proof of a
3 new policy including the vehicle must be filed with the Director before the vehicle is canceled
4 or deleted from the previous policy (summary suspension);

5 K. Send, by first class mail and email, to affiliated driver any correspondence from the Director
6 within five (5) business days after the transportation network company receives such
7 correspondence and keeps a written record of the mailings (Class A);

8 L. All violation notices issued by the Director to a TNC driver shall be mailed and emailed to
9 both the driver and TNC, and the TNC shall maintain a record of the violations for at least 2
10 years (Class B);

11 M. Weekly, collect, verify accuracy and completeness, and store for at least 2 years
12 transportation network company application dispatch records, including the hours each TNC
13 driver is active on the TNC dispatch system, as prescribed by the Director (Class A);

14 N. Collect and provide service information, vehicle collision reports, service response time
15 reports, reports of crimes against affiliated drivers, and passenger complaints, pursuant to rules
16 adopted by the Director as follows:

17 1. Service Information Reports. Submit quarterly, in a form approved by the Director,
18 the monthly total of paid trips and daily operating hours for each affiliated driver and vehicle
19 (Class A);

20 2. Vehicle Collision Reports. Submit monthly, on forms approved by the Director, a list
21 of vehicle collisions required to be reported to the Washington State Patrol pursuant to RCW
22 46.52.030(1) and WAC 446.85-010 including the name of the affiliated driver, identification of
23 the vehicle, collision fault, injuries, and estimated damage (Class A);

24 3. Service Response Time Reports. Submit quarterly, on forms approved by the
25 Director, average response times for service requests in the operating areas served by TNC
26 drivers (Class A);

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1 4. Crimes Against Affiliated Drivers Reports. Submit quarterly, on forms approved by
2 the Director, a list of all crimes of assault or robbery against affiliated drivers that were
3 reported to the Seattle Police Department, including the name of the affiliated driver and
4 identification of the vehicle, incident number, description of the crime, and injuries (Class A),
5 and

6 5. Passenger Complaints. Submit quarterly, in a form approved by the Director, a report
7 which contains information on complaints received directly from passengers and from the
8 passenger complaint hotline as compiled from the log required pursuant to subsection K of this
9 section regarding:

- 10 a. Driver conduct sorted by driving behavior, communication, personal dress or
11 hygiene,
- 12 b. Vehicle condition sorted by appearance, mechanical and/or safety, and
- 13 c. Lack of driver knowledge of route or requested destination (Class A).

14 O. Maintain a log of, and forward to the Director upon request, each oral or written passenger
15 complaint that the transportation network company receives about a vehicle, the transportation
16 network company, or an affiliated driver. The transportation network company must include a
17 notice of the action taken by the transportation network company to resolve the complaint and
18 the disposition (Class A);

19 P. Notify the Director within 2 working days of the transportation network company having
20 knowledge of the following:

21 1. A conviction, bail forfeiture or other adverse finding received by an affiliated driver
22 for any criminal offense or traffic violation that occurs during or arises out of the driver's
23 operation of the vehicle while active on any TNC dispatch (Class A for traffic violation, Class
24 B for any criminal offense),

25 2. A conviction, bail forfeiture or other adverse finding received by an affiliated driver
26 for any other criminal offense directly bearing on the driver's fitness to operate a vehicle or the
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1 affiliated driver’s fitness to be licensed, including but not limited to theft, fraud, robbery,
2 burglary, assault, sex crimes, alcohol, drugs, or prostitution (Class B),

3 3. A vehicle accident required to be reported to the State of Washington involving any
4 affiliated driver (Class B),

5 4. Any restriction, suspension or revocation of a State of Washington driver's license
6 issued to an affiliated driver (Class B), and/or

7 5. Any matter listed in SMC Section 6.310.265(B)(13) or 6.310.265(C) (Class B);

8 Q. Notify the Director within five (5) working days of any change in the affiliation status of an
9 affiliated driver or vehicle, including any affiliated driver joining the TNC, and any suspension,
10 termination, nonrenewal or revocation of an affiliated driver’s for-hire license or TNC driver’s
11 permit. (Class A);

12 R. Affiliate with up to 100 drivers licensed or permitted under this chapter. If the number of
13 affiliated drivers exceeds 100, the transportation network company may lose its license under
14 this chapter (revocation or nonrenewal);

15 S. Comply with all regulations promulgated pursuant to this chapter (see applicable rules for
16 penalties or actions);

17 T. Permit the Director to carry out inspections without notice of all affiliated driver and vehicle
18 records required to be kept under this chapter, (Class B);

19 U. Employ a zero tolerance drug and alcohol policy with respect to affiliated drivers as
20 follows:

21 1. The TNC shall include a notice on its website, mobile application, and passenger
22 trip confirmations of its zero-tolerance policy and the methods to report a driver the passenger
23 reasonably suspects was under the influence of drugs or alcohol during the trip;
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1 2. The website and mobile application must include a phone number, website link, and
2 email to report a zero-tolerance complaint, as well as the phone number and email to report a
3 zero-tolerance complaint to the Seattle Consumer Affairs department, (Class B);

4 V. Allow passengers to indicate whether they require a wheelchair-accessible vehicle or a
5 vehicle otherwise accessible to individuals with disabilities. On January 1, 2015 and biannually
6 thereafter, each TNC shall submit to the Director a report detailing the number and percentage of
7 their customers who requested accessible vehicles, and how often the TNC was able to comply
8 with requests for accessible vehicles, and a description of any instances or complaints of unfair
9 treatment or discrimination of persons with disabilities. This report shall be made public by the
10 Director. This report shall be used by the Director to determine what, if any, regulations need to
11 be amended or adopted to ensure that TNCs are accessible to, and do not discriminate against
12 persons with disabilities, (Class B),

13 W. Review criminal background checks on every affiliated driver and maintain records thereof.
14 Drivers convicted of any traffic and/or criminal offense directly bearing on the driver's fitness
15 including but not limited to theft, fraud, robbery, burglary, assault, sex crimes, alcohol, drugs, or
16 prostitution shall not be permitted to provide TNC services. (Class B)

17 X. Review driving records of affiliated drivers and maintain records thereof. Drivers with
18 convictions for any alcohol or drug related offense, reckless driving, hit and run, or driving with
19 a suspended or revoked license shall not be permitted to provide TNC services. (Class B)

20 Y. Prior to providing TNC services and annually thereafter, require every affiliated vehicle to
21 undergo a 19-point inspection by a third party vendor approved by the Director that certifies in
22 writing that the following items are mechanically sound and fit for driving: (revocation and
23 Class C)

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- 1 1. Foot brakes (check stopping: at 20 mph, a vehicle must be capable of stopping
- 2 within 25 feet);
- 3 2. Emergency brakes (engine stall test);
- 4 3. Steering mechanism;
- 5 4. Windshield (no chips or cracks larger than 1 inch);
- 6 5. Rear window and other glass (no chips or cracks larger than 1 inch);
- 7 6. Windshield wipers;
- 8 7. Headlights;
- 9 8. Tail lights;
- 10 9. Turn indicator lights;
- 11 10. Stop lights;
- 12 11. Front seat adjustment mechanism;
- 13 12. Doors (open, close, lock);
- 14 13. Horn;
- 15 14. Speedometer;
- 16 15. Bumpers;
- 17 16. Muffler and exhaust system;
- 18 17. Condition of tires, including tread depth;
- 19 18. Interior and exterior rear view mirrors; and
- 20 19. Safety belts and air bags for driver and passenger(s).

21 Affiliated vehicles shall not be rebuilt or significantly modified from factory
22 specifications. Transportation network companies shall maintain vehicle inspection records.

23 Z. Pay all penalties imposed by the Department that are either not contested or are upheld after
24 review (revocation of license);

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1 AA. Determine whether an affiliated driver, who has been the victim of a crime of assault or
2 robbery, has reported the crime to 911. If not, the transportation network company shall call
3 911 and report the crime immediately (Class B).

4 BB. Maintain a transportation network company license to operate in the City of Seattle as
5 issued under this chapter (revocation and Class C).

6 CC. Limit the use of each affiliated vehicle used to transport passengers while active on the TNC
7 dispatch to 16 hours per week, except that City licensed for-hire vehicles are exempt from this
8 hour restriction. (Class B).

9 Section 10. A new section 6.310.275 to Seattle Municipal Code is adopted, as follows:

10 **SMC 6.310.275**

11 **Transportation network company—Transfers in the interest of a transportation network**
12 **company**

13 A transportation network company license is not transferable. However, an interest in a
14 business entity holding a transportation network company license may be transferred, but only
15 after the new owner or principal has submitted an application, met the standards and
16 requirements contained in Sections 6.310.260 and 6.310.265 and secured written approval of
17 the Director.

18 Section 11. A new section 6.310.325 is added to the Seattle Municipal Code as follows:

19 **SMC 6.310.325**

20 **Vehicles affiliated with a transportation network company —Vehicle operating**
21 **requirements.**

22 No vehicle affiliated with a transportation network company (TNC) may be lawfully
23 operated within the City of Seattle to transport passengers for compensation unless the following
24 minimum vehicle requirements are met:
25

26 A. Affiliated with a licensed transportation network company;

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- B. Affiliated with a licensed or permitted TNC driver;
- C. Passed the 19-point vehicle inspection as required by SMC Section 6.310.270(Y),
except for City licensed for-hire vehicles;
- D. The vehicle model year can be no more than 10 years prior to the license date;
- E. The vehicle cannot be a licensed taxicab;
- F. The vehicle, except for City licensed for-hire vehicles, cannot be driven for more than
16 hours per week while active on the TNC dispatch;

Section 12. A new Section 6.310.403 is added to the Seattle Municipal Code as follows:

SMC 6.310.403

TNC Driver’s Permit application.

A. Within 45 days of the effective date of this ordinance, any person without a for-hire driver’s license who affiliates with a transportation network company shall apply for a TNC driver’s permit, and shall obtain a TNC driver’s permit within 90 days of submitting the application. A TNC driver’s permit is valid for no more than one year.

B. TNC driver’s permit applicants must complete, sign, swear to and file with the Director a TNC driver’s permit application on forms provided by the Director to include the following information:

- 1. Name, aliases, residence and business address, residence and business telephone numbers;
- 2. Place and date of birth which shall be at least twenty-one (21) years prior to the date of application, height, weight, color of hair and eyes;

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1 C. All applications for TNC driver’s permits become void if the applicant, for any reason
2 other than delay caused by the City, fails or neglects to complete the application process or
3 obtain a license within sixty (60) days of submitting an application.

4 D. Prior to a TNC driver’s permit’s expiration, but no earlier than 3 months prior to
5 expiration, a TNC may apply to the Director to renew a TNC driver’s permit. In applying to
6 renew a TNC driver’s permit, a TNC must certify since the date of the initial application that no
7 grounds exist for the Director to deny the permit under SMC Section 6.310.432. A TNC must
8 certify that the TNC driver permittee 1) has not had a criminal conviction, bail forfeiture or other
9 final adverse finding (including in a civil suit or administrative proceeding) implicating the
10 standards set forth in SMC 6.310.432; 2) has a valid Washington State driver’s license; 3) the
11 vehicle has passed inspection as required by SMC 6.310.270(Y); and 4) the TNC driver
12 permittee has vehicle insurance as required by SMC 6.310.452 and 5) the TNC driver permittee
13 is the registered owner of the vehicle. The Director shall renew the TNC driver permit upon
14 receiving the renewal application and TNC certifications, provided that the permit would be
15 approved as a first-time application under SMC 6.310.432 and all outstanding penalties assessed
16 against the TNC driver permittee are paid in full to the Director.
17
18

19 A TNC driver permittee may also apply for renewal directly to the City/County.
20

21 If the TNC driver permittee has a bail forfeiture or other final adverse finding (including
22 in a civil suit or administrative proceeding) as set forth in SMC 6.310.432 B, the TNC must
23 report such findings to the Director in the renewal application. The TNC permit may not be
24 renewed if the Director reasonably concludes that the permittee will not comply with provision
25 of the chapter related to driver conduct and the safe operation of the vehicle.
26

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1 E. All denials of renewal applications must be set forth in writing, together with the
2 reasons for denial. The written denial shall be delivered either by first class mail or email to the
3 address provided by the permittee applicant on the license renewal application, as well as the
4 transportation network company.

5 F. A TNC driver’s permit shall not be transferrable or assignable.

6 Section 13. Section 6.310.410 of the Seattle Municipal Code, last amended by Ordinance
7 118341, is amended as follows:
8

9 **SMC 6.310.410**

10 **For-hire driver physician's certification.**

11 This subsection applies to all for-hire driver license applicants except for transportation
12 network company driver permittees.

13 A. A medical examination and certification shall be required upon initial application, and
14 every three (3) years thereafter, on the anniversary date of the license; provided, however, the
15 Director may at any time require any for-hire licensee or applicant to be reexamined if it appears
16 that the licensee has become physically or mentally unfit to be a for-hire driver.
17

18 ***

19 Section 14. A new Section 6.310.417 is added to the Seattle Municipal Code as follows:
20

21 **SMC 6.310.417**

22 **Training program required for a TNC driver’s permit.**

23 A. All initial TNC driver permit applicants, within 120 days of submitting an application,
24 must have successfully completed a training program approved by the Director that provides
25 information on defensive driving, use of emergency procedures, risk factors for crimes against
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1 for-hire drivers, enhancement of driver/passenger relations, and appearance and communication
2 skills.

3 B. Currently permitted TNC drivers must meet the requirements of subsection A of this
4 section if:

5 1. A TNC with which the for-hire driver is affiliated requests that the TNC permitted
6 driver receive a refresher course; or

7 2. The Director has reasonable grounds, based on documented complaints and/or
8 violations, to believe that a refresher course is necessary (suspension).

9
10 Section 15. A new Section 6.310.422 is added to the Seattle Municipal Code as follows:

11 **SMC 6.310.422**

12 **TNC permit driver examination.**

13 A. The Director shall prescribe the content of the examination, which must test the
14 applicant's:
15

16 1. Knowledge of TNC permit requirements contained in applicable codes and regulations;

17 2. Ability to speak and understand oral and written English sufficient for fulfilling the
18 minimum acceptable standards for a TNC permitted driver;

19 3. Knowledge of vehicle safety requirements;

20 4. Knowledge of the geography of Seattle, King County and surrounding areas, and
21 knowledge of local public and tourist destinations and attractions; and
22

23 5. Knowledge of risk factors for crimes against TNC drivers, and emergency procedures,
24 for driver's personal safety.
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1 B. After submitting an application for an initial TNC driver permit and completing the
2 required training, the applicant must pass an examination administered by The City of Seattle
3 and/or jointly with King County.

4 C. An applicant who fails the examination is entitled to one free opportunity to retake the
5 examination. A second failure will result in a 60-day wait for another opportunity to take the
6 examination, and another permit application fee. All later examination attempts will require the
7 60-day wait, and repayment of the permit application fee.
8

9 D. The examination is not required for the renewal of a TNC driver’s permit unless the
10 applicant's permit has remained expired for more than one year.

11 Section 16. A new Section 6.310.432 is added to the Seattle Municipal Code as follows:

12 **SMC 6.310.432**

13 **TNC driver—Standards for permit denial.**

14 A. The Director shall deny any TNC driver’s permit application if the Director
15 determines that the applicant:
16

- 17 1. Has made any material misstatement or omission in the application for a license;
- 18 2. Fails to meet any of the qualifications of a transportation network company driver
19 contained in SMC 6.310.452;
- 20 3. Has had a bail forfeiture, conviction, or other final adverse finding for crimes
21 pertaining to hit-and-run, or for crimes pertaining to driving under the influence of alcohol or
22 controlled substances while operating a vehicle, within three (3) years of the date of application;
23
- 24 4. Is required to register as a sex offender pursuant to RCW 9A.44.130.
25

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1 B. The Director may deny any TNC driver’s permit application if the Director determines
2 that the applicant:

3 1. Has had a bail forfeiture, conviction or other final adverse finding involving crimes
4 pertaining to prostitution, gambling, physical violence, or other crimes directly related to the
5 applicant's honesty and integrity, including but not limited to hit-and-run, fraud, larceny,
6 burglary, extortion and/or directly related to the driver's ability to operate a for-hire vehicle,
7 including without limitation driving under the influence of alcohol or controlled substances,
8 provided that such bail forfeiture or conviction was within five (5) years of the date of
9 application; or
10

11 2. Has been found, either through a criminal conviction, bail forfeiture or other final
12 adverse finding (including in a civil suit or administrative proceeding), to have exhibited past
13 conduct in driving or operating a vehicle that causes the Director reasonably to conclude that the
14 applicant will not comply with the provisions of the chapter related to driver/operator conduct
15 and the safe operation of the vehicle.
16

17 Section 17. A new Section 6.310.452 is added to the Seattle Municipal Code as follows:

18 **SMC 6.310.452**

19 **TNC driver operating, conduct, and passenger relations standards.**

20 A. TNC drivers shall not transport passengers for compensation nor operate a for-hire
21 vehicle without first obtaining and maintaining a valid TNC driver’s permit or for hire driver’s
22 license (first violation, civil penalty; subsequent violation, misdemeanor; both Class C).
23

24 B. TNC driver permittees shall not be active on any TNC dispatch system for more than
25 an aggregate of 16 hours per week (Class C and revocation).
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1 C. A TNC drivers shall not be in control of a for-hire vehicle for more than 12 hours
2 spread over a total of 15 hours in any 24-hour period. Thereafter, such TNC driver shall not drive
3 any for-hire vehicle until 10 consecutive hours have elapsed (suspension and Class B);

4 D. TNC drivers, while active on the TNC dispatch, shall not operate a vehicle that is
5 unaffiliated with a TNC to transport passengers. (Class C and revocation)

6 E. TNC drivers shall have evidence of personal and commercial vehicle insurance in
7 their possession at all times when active on the TNC application dispatch system. (Class B)

8 F. TNC drivers shall maintain a personal auto insurance policy as required by SMC
9 6.310.403 provided, that if the insurance policy lapses or is canceled, or a vehicle is deleted from
10 the policy, proof of a new policy including the vehicle must be filed with the Director before the
11 vehicle is canceled or deleted from the previous policy (summary suspension);

12 G. No TNC driver whose permit or for-hire driver’s license has been revoked by the
13 Director shall apply for a new permit or for-hire driver’s license for 1 year from the effective
14 date of such revocation (denial of license).

15 H. TNC drivers shall not use a mobile phone unless in hands-free mode, consistent with
16 RCW 46.61.667.

17 I. TNC drivers shall not transport more passengers than the number of seat belts available
18 nor more luggage than the vehicle capacity will safely and legally allow (Class B).

19 J. TNC drivers shall not accept dispatch of trips unless the interior and the exterior of the
20 vehicle are clean and in good repair (Class A).

21 K. TNC drivers shall not smoke shall not smoke in the for-hire vehicle while providing
22 transportation to passengers (Class A);

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1 L. TNC drivers shall allow the Director to inspect the vehicle without notice at any
2 reasonable time or place (Class B).

3 M. TNC drivers shall pay all penalties imposed by the Department that are either not
4 contested or are ultimately upheld (revocation or nonrenewal).

5 N. TNC drivers shall immediately notify the transportation network company and the
6 Seattle Police Department when the TNC driver has been the victim of a crime (Class B).

7 O. TNC drivers shall not accept payment of fare or tips. Payment shall only be made
8 electronically via the TNC application dispatch system. (Class B).

9 P. TNC drivers shall not pick up hails (Class C and revocation)

10 Q. TNC drivers shall be the registered owner of the affiliated vehicle(s) used to transport
11 passengers (Class A).

12 R. TNC drivers are limited to affiliating with one licensed transportation network
13 company (Class C).

14 S. TNC drivers shall not drive a licensed taxicab while active on the TNC dispatch
15 system (Class C).

16 T. TNC drivers shall not cruise or otherwise solicit trips (Class C and revocation).

17 U. TNC drivers shall not use a third party to solicit trips (Class C and revocation).

18 V. TNC drivers shall not drink any alcoholic beverage while on duty or less than eight (8)
19 hours prior to going on duty, and shall not possess an open or unsealed container of any alcoholic
20 beverage while in the for-hire vehicle (suspension and Class B);

21 W. TNC drivers shall, at the end of each trip, check the vehicle for any article(s) that are
22 left behind by passenger(s). Such articles are to be reported as found property, and such property
23

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1 is to be returned to a transportation network company representative as soon as is practicable
2 (Class A);

3 X. TNC drivers shall have in the driver's possession a valid Washington State driver's
4 license and either a valid TNC driver permit or for-hire driver's license at any time the TNC
5 driver is active on the TNC dispatch system. TNC drivers with a for-hire driver's license must
6 also have documentation that they are affiliated with a TNC (suspension and Class B);

7
8 Y. TNC drivers shall comply with any written notice of violation issued by the Director
9 (suspension and Class B);

10 Z. TNC drivers shall operate his or her vehicle with due regard for the safety, comfort
11 and convenience of passengers (Class B for safety violations; Class A for nonsafety violations);

12 AA. TNC drivers shall not solicit for prostitution nor allow his or her vehicle to be used
13 for such unlawful purpose (revocation and Class C);

14 BB. TNC drivers shall not knowingly permit his or her vehicle to be used for the illegal
15 solicitation, transportation, or sale, or any other activity related to illegal drugs (revocation and
16 Class C);

17 CC. TNC drivers shall, upon request by the Director or a police officer, provide the TNC
18 driver permit or for-hire driver's license, and Washington State driver's license for inspection
19 (suspension and Class B);

20 DD. TNC drivers shall use the most direct available route on all trips unless the passenger
21 specifically requests to change the route (Class B).

22 EE. TNC drivers shall not refuse to transport any person (Class A) except when:

23
24 1. The TNC driver has already been dispatched on another call; or
25
26

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2. The TNC driver arrives at the place of pick-up and upon arrival the passenger is acting in a disorderly or threatening manner, or otherwise is acting in a manner that would cause a reasonable person to believe that the TNC driver's health or safety, or that of others, may be endangered;

FF. TNC drivers shall not refuse to transport any passenger's wheelchair which can be folded and placed in either the passenger, driver, or trunk compartment of the vehicle; an assist dog or guide dog to assist the disabled or handicapped; or groceries, packages or luggage when accompanied by a passenger (Class B).

GG. A TNC driver shall not operate a wheelchair accessible for-hire vehicle unless the for-hire driver has successfully completed the special training requirements set forth in SMC [6.310.415](#) D (Class C and revocation).

Section 18. Section 6.310.465 of the Seattle Municipal Code, which Section was last amended by Ordinance 122763, is amended as follows:

SMC 6.310.465

For-hire driver—Passenger relations standards.

P. A for-hire driver shall not operate a wheelchair accessible taxicab unless the for-hire driver has successfully completed the special training requirements set forth in SMC 6.310.415 ((E))D (Class C ((and five-day suspension))).

Section 19. Section 6.310.500 of the Seattle Municipal Code, which Section was last amended by Ordinance 122763, is amended as follows:

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SMC 6.310.500

Taxicabs—Maximum number.

A. The total number of taxicab licenses in effect at any one ~~((4))~~ time shall not exceed ~~((eight hundred and fifty (850)))~~ 1,000. The number of taxicab licenses shall be set by the Director at such times and in such manner as necessary to meet the demand for efficient and economical taxicab service within the city limits and to support a competitive, safe, fair and viable business environment for the taxicab industry; however, no more than ~~((35))~~ 50 licenses can be issued within a calendar year. The Director shall adopt by rule the procedure for determining when and how many new taxicab licenses will be issued. In determining the total number of licenses issued, the Director shall consider factors including, but not limited to ~~((such as))~~ consumer demand for transportation services, average service response times, total number of taxi rides, total paid trips per taxicab, and average operating hours per taxicab, and may consider any other factors that may affect the supply and demand for taxi service within the city limits. The Director shall adopt by rule any vehicle and safety standards required for the issuance of new licenses, including but not limited to vehicle size, fuel efficiency, and emissions standards.

B. The number of for-hire vehicle licenses in effect at any one ~~((4))~~ time shall not exceed ~~((two hundred))~~ ~~((200))~~. Except that if the State Legislature authorizes cities to regulate executive sedans and executive vans, as defined in RCW 46.04.274, then executive sedans and executive vans licensed by the Department of Licensing on the authorization date which meet City vehicle standards would be allowed to obtain for-hire vehicle licenses, and such for-hire vehicle licenses shall not be included in the calculation of total number of for-hire vehicle licenses pursuant to this subsection.

C. The Director may, at the Director's discretion, issue wheelchair accessible taxicab licenses to special service vehicles used to provide transportation to disabled persons defined in KCC 6.64.010 or to handicapped persons as defined in SMC Section 6.310.110. These licenses shall be non-transferable for a period of five ~~((5))~~ years from the date of issuance and shall not be

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1 included in calculating the maximum number of taxicab licenses allowable pursuant to
2 subsection A. The Director may issue temporary and nontransferable wheelchair accessible
3 taxicab licenses to individual for-hire drivers selected by King County for a demonstration
4 project to determine the economic feasibility of the long term issuance of such licenses.

5 D. If the Director determines that issuance of additional taxicab licenses is warranted, not to
6 exceed the maximum allowable taxicab licenses issued pursuant to subsection A of this section,
7 such licenses shall be issued pursuant to:

- 8 1. A competitive request for proposal and award process under which licenses will be issued to
 - 9 applicants whose proposals demonstrate that they are most able to meet the needs of the public in
 - 10 providing taxicab service by meeting qualifications prepared by the Director that are not in
 - 11 conflict with the general provisions of this chapter; or
 - 12 2. Pursuant to a lottery of qualified applicants; or
 - 13 3. Pursuant to a combination of both procedures as prescribed by rule adopted by the Director.
- 14 The rule shall include minimum qualifications for taxicab license applicants, including but not
15 limited to the driving and conduct records of prospective applicants.

16 ~~((E. At the earlier of September 1, 2010 or after a total of 50 licenses have been issued under this
17 section, the Director shall provide a written report to the City Council concerning the economic
18 impact that the 50 additional licenses have had on taxicab service and on the business of
19 providing taxicab transportation services in Seattle. The report shall provide updated data to the
20 extent reasonably available relating to the factors that serve as the basis for the issuance of
21 licenses as set forth in Subsection A . This report shall also describe the economic effects, if any,
22 of the provisions of SMC 6.310.330N on the market value of all taxicab license transfers
23 occurring after August 1, 2008. No additional licenses may be issued until the submission of the
24 report.))~~

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1 Section 20. Section 6.310.530 of the Seattle Municipal Code, which Section was last
2 amended by Ordinance 123939, is amended as follows:

3 **6.310.530 – Rates((;))**

4 ***

5
6 F. For-hire Vehicle Rates.

7 1. Every for-hire vehicle licensee shall file all rates and charges with the Director. All
8 rates and charges, including any adopted senior citizen discount rate, shall be conspicuously
9 displayed in the interior of the for-hire vehicle, except vehicles affiliated with a transportation
10 network company, so as to be readily discernible to the passenger. The Director will prescribe
11 the manner of such posting.
12

13 2. For-hire vehicles must charge for service based on: a written contract((;)); flat charge
14 per trip, by zone((;)); or by an hourly rate with minimum increments of ~~((one half ()))~~ ½((;)) hour.
15 Flat charges by zone or hourly rate may vary by time of day.
16

17 G. Transportation network company—Rates

18 1. A transportation network company may not lawfully operate until it has provided the Director
19 with written documentation explaining its rate structure, demonstrating that it is consistent with
20 State law per RCW Chapter 19.94. The rate structure shall also demonstrate how tolls or charges
21 established for roads, bridges, tunnels or ferries shall be charged to passengers. TNCs shall either
22 1) charge flat rates between preset zones, which may vary by time of day, and file these rates
23 with the Director, or 2) provide the Director with certification from the Department of Licensing,
24 on official letterhead, that its rate structure complies with RCW Chapter 19.94.
25
26
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1 2. Regardless of the type of rate charged by a transportation network company, the rate shall be
2 disclosed to the passenger and acknowledged via the electronic dispatch system before the trip is
3 initiated. A trip is initiated when the passenger enters the vehicle.

4 Section 21. Section 6.310.600 of the Seattle Municipal Code, which Section was last
5 amended by Ordinance 121857, is amended as follows:

6 **SMC 6.310.600**

7 **Penalties.**

8 A. The first violation of SMC 6.310.130(A)-(B) or 6.310.452(A) shall be a civil
9 infraction as contemplated by RCW Chapter 7.80 and deemed to be a Class 1 civil
10 infraction under RCW 7.80.120(a), and shall subject the violator to a maximum penalty
11 and default amount of \$1,000 plus statutory assessments.

12 1. As contemplated by RCW 7.80.160, a person who, after receiving a notice
13 of civil infraction that includes a statement of the options provided in RCW
14 Chapter 7.80 for responding to the notice and the procedures necessary for
15 exercising these options, knowingly fails to exercise one of the options within 15
16 days of the date of the notice is guilty of a misdemeanor subject to the provisions
17 of SMC Chapters 12A.02 and 12A.04, except that absolute liability shall be
18 imposed for such a violation and none of the mental states described in SMC
19 12A.04.030 need be proved, regardless of the disposition of the notice of civil
20 infraction. A person who willfully fails to pay a monetary penalty or perform
21 community service as ordered by a court may be found in contempt of court as
22 provided in RCW Chapter 7.21.

23 2. An action for a civil infraction shall be initiated and processed in the manner
24 contemplated by RCW Chapter 7.80 and the Infraction Rules for Courts of
25 Limited Jurisdiction. For purposes of RCW 7.80.040, the "enforcement
26 officer" authorized to enforce the provisions of SMC 6.310.130(A)-(B) and
27

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1 6.310.452(A) are: (1) the Director of the Seattle Department of Finance and
2 Administrative Services and authorized representatives or assistants of him or
3 her; and (2) a commissioned officer of the Seattle Police Department and a
4 person issued a Special Police Officer Commission by the Chief of Police with
5 authority to enforce this title.

6 B A subsequent violation of SMC 6.310.130(A)-(B) or 6.310.452(A) within 5 years
7 of the prior violation is a misdemeanor subject to the provisions of SMC
8 Chapters 12A.02 and 12A.04, except that absolute liability shall be imposed
9 for such a violation and none of the mental states described in
10 SMC12A.04.030 need be proved.

11 ~~((A-))~~C. Violation of SMC ~~((Section))~~6.310.130~~(C)-(E)~~ shall be a misdemeanor and upon
12 conviction shall be punished by a fine not to exceed One Thousand Dollars (\$1,000.00), or by
13 imprisonment for a term not to exceed ninety (90) days, or by both such fine and imprisonment.

14 ~~((B-))~~D. For each violation of a provision in this chapter that has a class referenced in
15 parenthesis after the provision, a civil penalty and penalty points shall be imposed by and paid to
16 the Department according to the provisions of SMC ~~((Section))~~6.310.605.

17 ~~((C-))~~E. Any person who alters, edits, destroys, removes, copies, transfers, transmits,
18 erases, deletes, overwrites, obscures, damages, encodes, locks, renders unreadable, or otherwise
19 tampers with any image made by a digital security camera, other than as may occur in the normal
20 operation of the digital security camera system as mandated and authorized by the Director, shall
21 be guilty of a misdemeanor, and upon conviction shall be punished by a fine not to exceed One
22 Thousand Dollars (\$1,000.00), or by imprisonment for a term not to exceed ninety (90) days, or
23 by both such fine and imprisonment.

24 Section 22. Section 6.310.605 of the Seattle Municipal Code, which Section was last
25 amended by Ordinance 121738, is amended as follows:

26 **SMC 6.310.605**

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1 Monetary penalties and penalty points.

2 A. For-hire Driver, Transportation Network Company (TNC) Driver or Taxicab/For-hire
3 Vehicle Violations.

Violation	Penalties Against a For-hire Driver, <u>TNC Driver</u> or a Taxicab Licensee or For-hire Vehicle For Each Violation	Penalty Points Attributed to Taxicab Association <u>or</u> <u>Transportation Network Company</u> For Each Violation
1. Violations Found During a Calendar Year Away from City's Inspection Facility.		
First Class A in one year	\$35.00	2
Second Class A in one year	\$70.00	3
Third or more Class A violation in one year	\$120.00	4
First Class B violation in one year	\$70.00	4
Second Class B violation in one year	\$175.00	7
Third or more Class B violation in one year	\$300.00	10
All Class C violations	\$1,000.00	20
2. Violations Found During Inspections at City's Inspection Facility.		
Failure to appear for inspection scheduled by the Director (see Section 6.310.330 and paragraph below)	\$50	2 penalty points

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1	Class A violation found during inspection at City's inspection facility	Vehicle reinspection fee. See fee schedule in Section 6.310.150	2 each violation
2			
3	Class B violation found during inspection at City's inspection facility	Vehicle reinspection fee. See fee schedule in Section 6.310.150	4 each violation
4			
5			

6 "Failure to appear for inspection scheduled by the Director" includes a late arrival for the inspection. If
 7 notification that the vehicle can not appear is made prior to the close of business on the business day
 8 before the scheduled inspection, and the taxicab plates are delivered to the inspection facility prior to
 9 the original inspection time, then no penalty will be due.

10 ~~((3))~~4. Penalties and penalty points are attributed to the taxicab association or transportation
 11 network company with which the taxicab and/or for-hire driver is affiliated at the time the violation
 12 occurs.

13 **B. Taxicab Association or Transportation Network Company Violations During a**
 14 **Calendar Year.**

15	Violation	Penalty Points Against Taxicab Association <u>or Transportation</u> Network Company
16		
17	First Class A violation in one year	5
18	Second Class A violation in one year	6
19	Third or more Class A violation in one year	7
20		
21	First Class B violation in one year	10
22	Second Class B violation in one year	12
23	Third or more Class B violation in one year	15
24		
25	Any Class C violation	Revocation
26		

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1 As soon as an association or TNC accumulates more than five (5) penalty points per
2 affiliated taxicab or for-hire vehicle, on average, it must pay a penalty to the Director of One
3 Hundred Dollars (\$100) per affiliated taxicab or for-hire vehicle. As soon as an association or
4 TNC accumulates more than seven (7) penalty points per affiliated taxicab or for-hire vehicle, on
5 average, it must pay an additional penalty to the Director of One Hundred Fifty Dollars (\$150)
6 per affiliated taxicab or for-hire vehicle. As soon as an association or TNC accumulates more
7 than ten (10) points per affiliated taxicab or for-hire vehicle, on average, it must pay an
8 additional penalty to the Director of Two Hundred Fifty Dollars (\$250) per affiliated taxicab or
9 for-hire vehicle. For purposes of this subsection, average number of penalty points per affiliated
10 taxicab or for-hire vehicle means total association penalty points divided by number of taxicabs
11 or for-hire vehicles within the association or TNC. (The Director will compute the number of
12 taxicabs or for-hire vehicles within the association or TNC by averaging the number of taxicabs
13 or for-hire vehicles in the association or TNC (rounded up) at the beginning of the year and the
14 number of cabs or for-hire vehicles at the end of each completed quarter, i.e., March 31st, June
15 30th, etc.). If an association or TNC has exceeded the average amount of penalty points as
16 outlined above, the penalty will be due as of the end of the current quarter. The association or
17 TNC may ask for a hearing with the Director concerning the assessment of such penalty. At such
18 hearing the association or TNC will present any evidence to refute or mitigate ~~((the))~~ its
19 performance~~((of the association))~~. After the hearing, the Director may impose the penalty, reduce
20 the penalty, or with just cause waive the penalty and put the association or TNC on probation
21 with specific performance guidelines. If the association or TNC does not meet the guidelines
22 imposed, the Director will impose the penalty. In any case, the Director's decision is final.

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1 Upon renewal of the taxicab association or TNC license, the association or TNC will start
2 the new year with zero ((~~0~~))penalty points.

3 A Class C violation by a TNC shall result in revocation of the TNC license.

4 C. Taxicab or For-hire Vehicle Owner's Responsibility for Penalties Incurred by For-hire
5 Drivers. A taxicab or for-hire vehicle owner is jointly and severally liable for each monetary
6 penalty assessed against any for-hire driver who commits a violation while operating a taxicab or
7 for-hire vehicle belonging to that owner. The City is not required to pursue collection of the
8 penalty from the driver as a prerequisite to pursuing collection of the penalty from the owner.
9

10 D. Taxicab Association's or Transportation Network Company's Responsibility for Penalties
11 Incurred By For-hire Drivers and Taxicab Owners. In addition to incurring penalty points, the
12 taxicab association or TNC is jointly and severally liable for each monetary penalty assessed
13 against any for-hire driver or taxicab affiliated with the taxicab association or TNC. The City is
14 not required to pursue collection of the penalty from the for-hire driver or the taxicab owner as a
15 prerequisite to pursuing collection of the penalty from the taxicab association or TNC.
16

17
18 Section 23. Section 6.310.610 of the Seattle Municipal Code, which Section was last
19 amended by Ordinance 122763, is amended as follows:

20 **SMC 6.310.610**

21 **Suspension or revocation.**

22
23 ***

24 C. Revocation Standards

25
26 ***

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3. Transportation Network Companies (TNC)

a. The Director shall revoke a TNC license if during the license period:

i. The TNC, or any owner, officer, director, managing partner, general partner or principal of the TNC, receives a bail forfeiture, conviction or other final adverse finding for crimes of fraud, theft, larceny, extortion, embezzlement, racketeering, Uniform Controlled Substances Act, prostitution, alcohol and/or narcotics where the commission of such crimes involved or used a TNC or for-hire vehicle. If an owner, officer, director, managing partner, general partner or principal of the TNC found in violation of this subsection is (i) removed immediately from all operational or management duties or authority and (ii) is divested of all ownership in the TNC as soon as possible, the license may be reinstated;

ii. The TNC, or any owner, officer, director, managing partner, general partner or principal of the TNC, receives a bail forfeiture, conviction or other final adverse finding involving crimes directly related to the applicant' s ability to operate a TNC, including but not limited to prostitution, gambling, fraud, larceny, extortion, income tax evasion. If an owner, officer, director, managing partner, general partner or principal of the TNC found in violation of this subsection is (i) removed immediately from all operational or management duties or authority and (ii) is divested of all ownership in the TNC as soon as possible, the license may be reinstated;

iii. An affiliated vehicle has not been inspected by an approved third party as required by 6.310.270;

iv. Has failed to meet the insurance requirements outlined in SMC 6.310.260;

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1 v. An affiliated driver is active on the TNC dispatch without personal and commercial vehicle

2 insurance;

3 vi. Falsely certifies that a TNC driver is eligible for renewal pursuant to SMC 6.310.403(D).

4 vii. Fails to pay all penalties imposed by the Department that are either not contested or are

5 upheld after review; or

6 viii. The TNC has committed one (1) Class C violations in any one (1) year period.

7 ix. The Director may revoke a TNC license if during the license period the TNC:

8 a. Affiliates with more than 100 TNC drivers or less than 15 TNC drivers;

- 9
- 10
- 11
- 12 1. If the number of affiliated drivers falls below 15 or increases beyond 100, the
- 13 TNC must increase the number to 15 or decrease the number to 100 within six
- 14 months from the date the number falls outside of the 15-100 range, or combine
- 15 with an already TNC, or lose its license under this chapter.;

16 b. Affiliates with a licensed taxicab;

17 c. Dispatches to an unlicensed, unpermitted or unaffiliated driver;

18 d. Knowingly permits a third party to use the TNC dispatch system;

19 e. Knowingly permits a TNC driver to pick up hails;

20 f. Knowingly allows a TNC driver permittee to take trips not dispatched by the TNC;

21 g. Fails to review driving records of affiliated drivers and maintain records thereof;

22 h. Knowingly permits affiliated drivers with any conviction listed in SMC 6.310.270(X) to

23

24

25

26

27 continue affiliating with at TNC and/or operating as a TNC driver;

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1 i. Knowingly permits a TNC driver permittee to be active on the TNC dispatch system or
2 drive an affiliated vehicle for more than 16 hours per week; or

3 j. Knowingly permits TNC drivers to drive an affiliated vehicle while active on the TNC
4 dispatch system, except for City licensed for-hire vehicles, for more than 16 hours per week.

5
6 ((3))4. Taxicab and For-hire Vehicle Licenses.

7 ***

8
9 ((4))5. For-hire Driver's Licenses.

10 a. The Director shall revoke a for-hire driver's license if:

11
12 i. The for-hire driver receives a bail forfeiture, conviction, or other final adverse finding for
13 crimes pertaining to hit-and-run, or for crimes pertaining to driving under the influence of
14 alcohol or controlled substances while operating a taxicab or for-hire vehicle;

15 ii. The for-hire driver's Washington State driver's license expires or is revoked;

16 iii. The for-hire driver has committed one (1) Class C violations in any one (1) year period.

17 b. The Director may revoke a for-hire driver's license if:

18
19 i. The for-hire driver is found to be in possession of illegal drugs or an open container of alcohol
20 while in control of or while operating any taxicab or for-hire vehicle; or

21
22 ii. The for-hire driver has received a conviction, bail forfeiture, or other final adverse finding
23 involving crimes pertaining to prostitution, gambling, physical violence, Uniform Controlled
24 Substances Act, fraud, theft, robbery, larceny, burglary, extortion and/or crimes directly related
25 to the driver's ability to operate a taxicab.
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6. Transportation network company (TNC) drivers.

a. The Director shall revoke a TNC driver permit or for-hire license of a transportation network company driver, if, while active on the TNC dispatch system,:

i. The TNC driver receives a bail forfeiture, conviction, or other final adverse finding for crimes pertaining to hit-and-run, or for crimes pertaining to driving under the influence of alcohol or controlled substances while operating for-hire vehicle;

ii. The TNC driver’s Washington State driver's license expires or is revoked;

iii. The TNC driver has committed one (1) Class C violations in any one (1) year period;

iv. The TNC driver picks up a street hail, whether active on the TNC dispatch or not;

v. The TNC driver permittee provides a ride that is not booked through the TNC application dispatch system.

vi. Drives a vehicle affiliated with a licensed TNC, while active on the TNC dispatch system, for more than 16 hours in a given week, except that licensed for-hire vehicles are exempt from this hour restriction;

vii. The TNC driver affiliates with more than one licensed TNC;

viii. Drives a vehicle that is not affiliated with the TNC;

ix. Drives a licensed taxicab; or

x. The TNC driver permittee is active on the TNC dispatch system for more than 16 hours in a given week;

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1 b. The Director may revoke a TNC driver permit or for-hire license of a transportation network
2 company driver if:

3 i. The TNC driver is found to be in possession of illegal drugs or an open container of alcohol
4 while in control of or while operating any taxicab or for-hire vehicle; or
5

6 ii. The TNC driver has received a conviction, bail forfeiture, or other final adverse finding
7 involving crimes pertaining to prostitution, gambling, physical violence, Uniform Controlled
8 Substances Act, fraud, theft, robbery, larceny, burglary, extortion and/or crimes directly
9 related to the driver's ability to operate a for hire vehicle.
10

11 D. Effect of Notice of Suspension or Revocation.

12 1. Summary Suspension or Revocation. Whenever any license or permit is summarily suspended
13 or revoked the suspension or revocation is effective upon issuance of the notice. Such notice may
14 be appealed pursuant to the procedures of Section 6.310.635. If a timely appeal is not filed by the
15 licensee or permittee, the notice of summary suspension or revocation shall be final. Such
16 summary suspension shall extend until any administrative or judicial appeal is finally concluded
17 in the licensee's or permittee's favor, until the license or permit expires, or until evidence
18 satisfactory to the Director is produced showing that the violation is cured, whichever occurs
19 first. Summary revocations shall extend until the end of the annual license or permit period or
20 until any administrative or judicial appeal is finally concluded in the licensee's or permittee's
21 favor, whichever occurs first.
22
23

24 2. Suspension or Revocation. If the licensee or permittee does not file a timely appeal pursuant to
25 Section 6.310.635, the notice of suspension or revocation shall be final. Suspensions or
26

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1 revocations become effective upon the date any notice of suspension or revocation or order on
2 appeal affirming such notice becomes final. Unless a time period is specified in a particular
3 section of the ordinance codified in this chapter, suspensions shall extend until the license or
4 permit expires or until evidence satisfactory to the Director is produced showing that the
5 violation is cured, whichever occurs first. Revocations shall extend until the end of the annual
6 license or permit period.

7
8 3. Except in the case of a summary suspension or revocation as provided in subsection D1 above,
9 whenever a timely appeal is filed pursuant to Section 6.310.635, a licensee or permittee may
10 continue to engage in the activity for which the license or permit is required pending a final
11 decision on appeal.

12
13 Section 24. Section 6.310.635 of the Seattle Municipal Code, which Section was last
14 amended by Ordinance 121738, is amended as follows:

15
16 **SMC 6.310.635**

17 **Notice and hearing for denials, violations, suspensions and revocations.**

18 A. For each violation, and for each denial, suspension or revocation, the Director shall give
19 written notice to the affected licensee or permittee. If the affected licensee is a taxicab driver, the
20 Director shall at the same time give written notice of violations to the taxicab licensee and the
21 taxicab association. If the affected licensee or permittee is a transportation network company
22 driver, the Director shall at the same time give written notice to the transportation network
23 company. If the affected licensee is a taxicab licensee, the Director shall at the same time give
24 written notice of violations to the taxicab association. All notices directed to a taxicab driver or
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27 **DRAFT – FOR DISCUSSION PURPOSES**

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1 taxicab licensee may be served by personal delivery to, or by first-class mail addressed to, the
2 taxicab association.

3 B. Any notice of denial, violation, suspension or revocation, other than a summary suspension or
4 revocation pursuant to Section 6.310.610 A, shall state that the driver, taxicab or for-hire vehicle
5 licensee, transportation network company and/or taxicab association is entitled to a hearing to
6 respond to the notice and introduce any evidence to refute or mitigate the violation. Upon written
7 request, submitted by the person named on the violation, filed within ten (~~((40))~~) calendar days
8 after the date of the notice of denial, violation, suspension or revocation, the Director shall set a
9 hearing date and time to be held as soon as possible and not more than thirty (30) calendar days
10 from the date of the request or the next business day after that if the thirtieth day falls on a
11 weekend or holiday.
12

13
14 C. Any notice of summary suspension or revocation pursuant to Section 6.310.610 A and D1,
15 shall state that the driver, taxicab or for-hire vehicle licensee, transportation network company
16 and/or taxicab association is entitled to a hearing to respond to the notice and introduce any
17 evidence to refute or mitigate the violation. Upon written request, submitted by the person named
18 on the violation, filed within ten (~~((40))~~) calendar days after the date of the notice of the
19 summary suspension or revocation, the Director shall set a hearing date and time to be held as
20 soon as possible and not more than seven (~~((7))~~) calendar days from the date of the request or the
21 next business day after that if the seventh day falls on a weekend or holiday. The Director shall
22 render a decision affirming or reversing the summary suspension or revocation within three
23 (~~((3))~~) business days after the conclusion of the hearing.
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1 D. The decision of the Director is final only if a monetary penalty is imposed or if a
2 timely appeal is not filed pursuant to subsection G. A taxicab license, TNC driver permit or for-
3 hire driver license may be reinstated without a hearing if the violation was for failure to pay a
4 monetary penalty within ~~((thirty))~~ ~~((€))~~30~~((+))~~ days, if the licensee or permittee pays the monetary
5 penalty in full within ten ~~((+10))~~ days of the date of license or permit revocation and pays a
6 ~~((license))~~ reinstatement fee. This authority to reinstate licenses or permits without a hearing
7
8 only applies if it is the first instance of failure to pay a monetary penalty in the calendar year.

9 E. The hearing shall be held by the Director or the Director's designee, provided that the
10 designee may not be a person who directly supervises the inspector who issued the notice of
11 denial, violation, suspension or revocation.

12 F. The hearing shall be informal, but shall be recorded by electronic means provided by
13 the Director. Within ~~((twenty))~~ ~~((€))~~20~~((+))~~ days of the hearing, the Director shall issue a written
14 ruling including factual findings and the Director's conclusion, with supporting reasons,
15 affirming, modifying or reversing the notice. The decision shall be mailed by first class mail to
16 each affected licensee or permittee at the address listed on the application; or in any
17 supplemental materials. ~~((However, if the licensee is a taxicab licensee or taxicab driver,))~~
18 Licensee ~~((the))~~ decisions for taxicabs and taxicab drivers shall be mailed by first class mail to
19
20 the licensee at the address of the taxicab association. Licensee and permittee decisions for
21 transportation network company drivers shall be mailed by first class mail to the licensee or
22 permittee at the address of the transportation network company.

23
24 G. If the Director's decision imposes or affirms a denial, suspension or revocation,
25 including summary suspension or revocation, any affected licensee or permittee may appeal the
26

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entire decision to the Hearing Examiner by filing a notice of appeal with the Hearing Examiner within ten ((10)) days after the date of mailing of the decision. Decisions of the Director imposing a monetary penalty only, pursuant to subsection D, shall not be appealable to the Hearing Examiner.

Section 25. 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 _____, 2013, and signed by me in open session in authentication of its passage this ____ day of _____, 2013.

President _____ of the City Council

Approved by me this ____ day of _____, 2013.

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

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Monica Martinez Simmons, City Clerk

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