



## City of Seattle Legislative Information Service

Information retrieved on August 4, 2014 2:15 PM

**Council Bill Number: 118140**  
**Ordinance Number: 124524**

AN ORDINANCE relating to transportation network companies, taxi, and for-hire services and affiliated drivers and vehicles: establishing minimum operating requirements for transportation network companies and affiliated drivers; imposing industry-wide vehicle inspection and driver training processes; imposing insurance requirements for transportation network companies and affiliated vehicles; altering insurance requirements for taxi and for-hire vehicles; requiring rate transparency across industries; establishing and altering licensing fees; establishing an accessible service charge; raising the maximum number of taxicab licenses issued by the City; allowing hailing rights for for-hire vehicles; establishing a property right for taxi and for-hire vehicle license holders; revising terminology; adding new sections, amending various Sections of Chapter 6.310 of the Seattle Municipal Code, repealing Ordinance 124441, and amending Ordinance 124349, which adopted the 2014 Budget.

**Status:** Passed as Amended  
**Date passed by Full Council:** July 14, 2014  
**Vote:** 8-1 (opposed: O'Brien)  
**Date filed with the City Clerk:** July 15, 2014  
**Date of Mayor's signature:** July 15, 2014  
[\(about the signature date\)](#)

**Date introduced/referred to committee:** June 30, 2014  
**Committee:** Full Council  
**Sponsor:** BURGESS

*(No indexing available for this document)*

**Fiscal Note:** [Fiscal Note to Council Bill No. 118140](#)

**Electronic Copy:** [PDF scan of Ordinance No. 124524](#)

### Text

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

AN ORDINANCE relating to transportation network companies, taxi, and for-hire services and affiliated drivers and vehicles: establishing minimum operating requirements for transportation network companies and affiliated drivers; imposing industry-wide vehicle inspection and driver training processes; imposing insurance requirements for transportation network companies and affiliated vehicles; altering insurance requirements for taxi and for-hire vehicles; requiring rate transparency across industries; establishing and altering licensing fees; establishing an accessible service charge; raising the maximum number of taxicab licenses issued by the City; allowing hailing rights for for-hire vehicles; establishing a property right for taxi and for-hire vehicle license holders; revising terminology; adding new sections, amending various Sections of Chapter 6.310 of the Seattle Municipal Code, repealing Ordinance 124441, and amending Ordinance 124349, which adopted the 2014 Budget.

WHEREAS, 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

WHEREAS, 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

WHEREAS, 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 demand; and

WHEREAS, the demand study supports, that some companies using application dispatch technology to offer transportation services in Seattle are unlicensed and affiliated with unlicensed for-hire drivers (unlicensed drivers) and vehicles<sup>2</sup>; and

WHEREAS, the use of application dispatch technology by unlicensed companies, vehicles, and drivers raises significant public safety and consumer protection concerns; and

WHEREAS, the use of application dispatch technology by unlicensed companies and drivers are competing with existing licensed taxicab and for-hire drivers in the transportation market; and

WHEREAS, establishing minimum operating requirements for unlicensed drivers and unlicensed companies using application dispatch technology is appropriate and necessary to protect the safety of the public; and

WHEREAS, to ensure fair market competition, there must be regulatory parity between taxi operators, for-hire vehicle operators, and presently unlicensed transportation network companies and affiliated drivers; and

WHEREAS, industry regulations for these services must encourage innovation without compromising safety standards, so that regulation provides a safety net that the public can rely on for its protection while new businesses innovate and use technology to better the lives of Washingtonians; and

WHEREAS, establishing transparency of rates prior to a passenger initiating a ride via an application is appropriate and necessary for consumer protection and there exists a need to maintain existing dispatch and fare calculation systems to ensure transportation access for people who do not have access to application dispatch technology; and

WHEREAS, there exists a need to create an industry-supported accessible service fund to ensure the continued financial viability of operating Wheelchair Accessible Taxis (WATs); and

WHEREAS, the issuance of an additional 35 taxi licenses for the first year, and an additional 55 per year for the next three years as authorized by SMC 6.310.500(D) would promote fair competition and meet current and future demand for efficient and economical for-hire transportation services; and

WHEREAS, allowing for-hire vehicles to pick up street hails promotes increased immediate access to services and eliminates confusion for the public; and

WHEREAS, converting existing and future taxi and for-hire vehicle licenses to a property right would allow the vehicle license to be used as collateral and would promote fair competition within the industry, and drivers with a direct financial stake in the medallion will promote safe vehicles, courteous service, and safe driving; and

WHEREAS, there is authority to regulate for-hire vehicles as granted by Article 11, Section 11 of the Washington State Constitution and RCW 46.72.160; and

WHEREAS, the City will support efforts of for-hire transportation industry representatives seeking to clarify or modify the current State insurance requirements of for-hire transportation services to account for recent changes in the industry and business models of all industry participants, including transportation network companies, taxicabs, and for-hire vehicles.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 6.310.100 of the Seattle Municipal Code, last amended by Ordinance 118341, is amended as follows:

6.310.100 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. 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, and transportation network companies, and issue TNC vehicle endorsements, 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. Within one year of the effective date of this ordinance, and every year thereafter through December 30, 2016, the Director shall issue a report to chair of the Taxi, For-hire, and Limousine Regulations Committee of the Seattle City Council. The report shall include a summary of the industry data reported pursuant Section 6.310.540, a summary of on-street and other enforcement activities performed between the effective date of this ordinance and the deadline, a discussion of the conversion from licenses to medallions, a discussion of the funding level and use of the Wheelchair Accessible Services Fund, the number and type of passenger complaints received between the effective date of this ordinance and the reporting deadline, and a comparison of the City's regulatory revenue under the former and proposed regulatory structure.

Section 2. Section 6.310.110 of the Seattle Municipal Code, last amended by Ordinance 123361, is amended as follows:

6.310.110 Definitions(~~(--)~~)

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

"Active on the TNC dispatch system" includes but is not limited to: when the driver is logged onto the transportation network company (TNC) application showing that the driver is available to pick up passengers; when a passenger is in the vehicle; when TNC records show the vehicle has been connected with a passenger; or when the driver has been connected with a passenger and is enroute to provide transportation services to the passenger.

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

~~((B--))~~ "Affiliated taxicab" means a taxicab licensed to operate within a particular taxicab association.

"Application dispatch" means technology that allows consumers to directly request dispatch of for-hire drivers for trips and/or to accept payments for those trips via the internet using mobile interfaces such as, but not limited to smartphone and tablet applications.

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

~~((D--))~~ "Certificate of Safety" means a document from an approved mechanic certifying that a particular vehicle meets all vehicle safety standards set forth in this chapter, including a uniform vehicle safety inspection, and in regulations adopted pursuant to this chapter.

~~((E--))~~ "Committed a violation" means that a licensee has been issued a Notice of Violation and either has not contested the violation or did contest the violation but lost.

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

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

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

~~((H--))~~ "Department" means the Department of Finance and Administrative Services of The City of Seattle, or any department that succeeds to the Department's duties under this chapter.

~~((I--))~~ "Director" means the Director of Finance and Administrative Services or the director of any successor department and the Director's authorized designee.

~~(J-)~~ "For-hire driver" means any person in physical control of a taxicab ~~(-or-)~~ for-hire vehicle, or transportation network company endorsed vehicle who is required to be licensed under this chapter. The term includes a lease driver, owner/operator, or employee ~~(-or-)~~, for-hire vehicles ~~(-or-)~~, or transportation network company endorsed vehicles.

~~(K-)~~ "For-hire vehicle" means any motor vehicle used for the transportation of passengers for compensation, except:

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

"For-hire vehicle company" means a person or entity that represents or owns for-hire vehicles licensed by the City that use the same color scheme, trade name, and dispatch services.

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

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

~~(N-)~~ "Lease driver" means a for-hire driver who is an independent contractor/sole proprietor who has leased a taxicab or for-hire vehicle from a taxicab or for-hire vehicle licensee or taxicab association.

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

~~(P-)~~ "Lessor" means a licensee of a taxicab or for-hire vehicle who leases to a lease driver.

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

"Medallion" means a certificate issued by the Director as evidence that a taxicab or for-hire vehicle license is an intangible property.

"Medallion system" means the system which deems a taxicab or for-hire vehicle license to be intangible property that may be used as collateral to secure a loan from a bank or any other financial institution.

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

~~((S-))~~ "Operating in The City of Seattle" means owning, leasing, advertising, driving, occupying and/or otherwise using a taxicab, ~~((or))~~ for-hire vehicle, or transportation network company endorsed vehicle that at any time transports any passenger or item for compensation from a point within the geographical confines of The City of Seattle. The vehicle is considered to be operating during the administering of inspections at the City's inspection facility. The term does not include being in control of a vehicle that is physically inoperable. A taxicab association is "operating in The City of Seattle" if it represents or includes any taxicab that at any time transports any passenger or item for compensation from a point within the geographical confines of The City of Seattle. A transportation network company is "operating in The City of Seattle" if it provides application dispatch services to any affiliated driver at any time for the transport of any passenger for compensation from a point within the geographical confines of The City of Seattle.

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

"Personal vehicle" means a vehicle that is not a taxicab or for-hire vehicle licensed under this chapter. A personal vehicle that is used to provide trips via a transportation network company application dispatch system is subject to regulation under this chapter.

~~((U-))~~ "Senior Citizen" means any person over the age of 60 with a valid identification confirming that person's age.

~~((V-))~~ "Special rate" means discounted rates for senior citizens and handicapped persons.

~~((W-))~~ "Taxicab" means every motor vehicle:

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

~~((X-))~~ "Taxicab association" means a person or ~~((organization))~~ entity licensed under this chapter that represents or owns at least 15 taxicabs licensed by the City that use the same color scheme, trade name, and dispatch services. An individual person may be a taxicab association as long as that individual owns or represents at least 15 taxicabs and otherwise meets the requirements of this chapter; provided, that for taxicab associations formed in connection with the wheelchair accessible taxicab demonstration project provided for under this chapter, the Director may waive the requirement for such taxicab associations to have 15 licensed taxicabs and any taxicab association license fee for the duration of the demonstration project.

~~((Y-))~~ "Taxicab association representative" means the person or persons that a taxicab association has authorized to:

1. File applications and, if not using application dispatch, special contract rates and charges on behalf of the taxicab association and individual owners in the taxicab association; and
2. Receive and accept all correspondence and notices from the City pertaining to the taxicab association, or to the taxicabs, taxicab owners and/or for-hire drivers operating within the taxicab association; and
3. Forward any correspondence, notices and/or legal process received by the association and intended for a taxicab owner and/or taxicab driver operating within the taxicab association.

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

"Trade dress" means the unique visual element associated with a transportation network company that is attached to a vehicle affiliated with a TNC so the public and passengers can identify the vehicle as being associated with that particular TNC.

"Transportation network company" (TNC) means an organization whether a corporation, partnership, sole proprietor, or other form, licensed under this chapter and operating in the City of Seattle that offers prearranged transportation services for compensation using an online-enabled TNC application or platform to connect passengers with drivers using their personal vehicles and that meets the licensing requirements of Section 6.310.130 and any other requirements under this chapter.

"Transportation network company (TNC) driver" means a licensed for-hire driver affiliated with and accepting dispatched trips from a licensed transportation network company. For purposes of this chapter, at any time while a driver is active on the TNC dispatch system, the driver is considered a TNC driver.

"Transportation network company (TNC) endorsed vehicle" means a personal motor vehicle used for the transportation of passengers for compensation that is affiliated with a licensed transportation network company and that has been endorsed to demonstrate that the vehicle has met the minimum operating requirements as set forth in Sections 6.310.325 and 6.310.327 .

"Transportation network company (TNC) representative" means the person or persons that a transportation network company has authorized to:

1. On behalf of the TNC, file documentation with the Director;
2. Receive and accept all correspondence and notices from the City pertaining to the TNC, or to affiliated drivers operating within the TNC; and
3. Forward any correspondence, notices and/or legal process received by the TNC and intended for an affiliated driver operating within the TNC.

"Transportation network company (TNC) vehicle endorsement" means an endorsement on a for-hire driver's license for a personal vehicle that allows the for-hire driver to use the endorsed vehicle to affiliate with a transportation network company in order to provide transportation to passengers via an application dispatch system. The endorsement demonstrates that the vehicle has met the minimum operating requirements as set forth in Sections 6.310.325 and 6.310.327. A vehicle with a TNC endorsement is a "TNC endorsed vehicle."

~~((AA-))~~ "Wheelchair accessible taxicab" or "Wheelchair accessible for-hire vehicle" or a "Wheelchair accessible TNC endorsed vehicle" means a taxicab, for-hire vehicle, or TNC endorsed vehicle designed or modified to transport passengers in wheelchairs or other mobility devices and conforming to the requirements of the Americans with Disabilities Act (ADA), and inspected and approved by the Director.

Section 3. Section 6.310.120 of the Seattle Municipal Code, last amended by Ordinance 118341, is amended as follows:

6.310.120 Scope(~~(-)~~)

This chapter applies to all taxicab associations, all transportation network companies, all taxicabs, all for-hire vehicles, all TNC-endorsed vehicles, and all for-hire drivers operating ~~((within))~~ in The City of Seattle. This chapter is not intended to be a part of the New License Code, Chapter 6.202 et seq.

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

6.310.125 Violation classifications(~~(-)~~)

A. Requirements contained within this chapter shall specify violation classifications in parentheses for the purpose of assessing monetary penalties and penalty points. General provisions for penalty enforcement are set forth in ~~((SMC-))~~ Sections 6.310.600, 6.310.605, 6.310.610, and 6.310.635. Monetary penalties and penalty points for each violation classification are specifically set forth in ~~((SMC))~~ Section 6.310.605.

B. Violation classifications are as follows:

1. Class A - violations of administrative or non- safety requirements.
2. Class B - violations of safety requirements.
3. Class C - other serious violations.
4. Suspensions, revocations, and denials of licenses or TNC vehicle endorsements are imposed when taxicab associations, transportation network companies, taxicab licensees, or for-hire drivers fail to comply with licensing or endorsement requirements pursuant to this chapter, or there is an immediate safety concern with the taxicab, for-hire vehicle, or TNC endorsed vehicle.

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

6.310.130 Licenses required(~~(-)~~)

A. It is unlawful to own, lease, drive or otherwise operate within The City of Seattle any taxicab or for-hire vehicle within the scope of this chapter, unless:

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

B. It is unlawful to operate within The City of Seattle as a transportation network company (TNC) driver, unless:

1. The driver has a valid for-hire driver's license issued under this chapter;

2. The vehicle is either:

a. A personal vehicle with a TNC vehicle endorsement, or

b. A for-hire vehicle or taxicab licensed under this chapter; and

3. The driver is affiliated with a TNC licensed under this chapter.

This section 6.310.130.B shall be effective 120 days from the effective date of this ordinance.

~~((B-))~~ C. It is unlawful to operate a taxicab association within ~~((+))~~ The City of Seattle without a valid license issued pursuant to this chapter.

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

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

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

2. The person or entity uses the application dispatch system exclusively for taxicabs and/or for-hire vehicles licensed under this chapter, consistent with Section 6.310.530.

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

Section 6. A new Section 6.310.135 is added to the Seattle Municipal Code as follows:

6.310.135 Transition to medallion system

A. Effective February 1, 2015, City taxicab and for-hire vehicle licenses shall transition to a medallion system and all references to taxicab licenses and for-hire vehicle licenses in this Chapter shall refer to taxicab medallions and for-hire vehicle medallions, respectively. The medallion system deems a taxicab or for-hire vehicle license to be intangible property. The owner of a taxicab or for-hire vehicle medallion can use the medallion as collateral to secure a loan from a bank or any other financial institution. Medallion owners shall file with the Director the name of any and all lienholders, on forms furnished by the Director.

B. Effective February 1, 2015, existing taxicab or for-hire vehicle license holders shall receive one medallion for each taxicab or for-hire vehicle license upon payment of a one-time administrative fee of \$100.00. Failure to pay this administrative fee shall result in the denial of the renewal of a taxicab or for-hire vehicle license.

C. All new taxicab or for-hire vehicle licenses issued after the effective date of this ordinance shall be issued pursuant to a medallion system by lottery pursuant to subsection 6.310.500.D.2.

D. Taxicab and for-hire vehicle medallions remain subject to all regulations in this Chapter. The interest of a medallion owner may be suspended or revoked for any reason enumerated in this Chapter for the suspension or revocation of a taxicab or for-hire vehicle license. Upon the final order of revocation, a medallion shall be involuntarily transferred pursuant to subsection 6.310.137.

E. Medallion holders waive any and all liability, claims, actions, suits, loss, costs, expense judgments, attorneys' fees, or damages of every kind and description resulting directly or indirectly from any act or omission of the City, its officials, officers, employees, and agents regarding the valuation or devaluation of the medallion.

F. The City assumes no liability for any devaluation of the medallion due to regulatory action or market forces.

G. Any taxicab or for-hire vehicle medallion may only be voluntarily transferred, sold or assigned in accordance with this section 6.310.135. For purposes of the sale of a taxicab or for-hire vehicle medallion, the following requirements must be satisfied: (i) all outstanding fines and penalties against the medallion holder and for-hire driver's license, if applicable, must be paid or satisfied and all pending administrative matters must be resolved; and (ii) when seller owns two or more taxicab or for-hire taxicab licenses, all outstanding items/proceedings as stated in (i) above shall be paid, satisfied or resolved.

H. Medallion owners may lease an interest in the medallion as prescribed by Director's rule. To assure orderly and rapid transition to the medallion system, the Director shall have such rules in place 90 days from February 1, 2015.

Section 7. A new Section 6.310.137 is added to the Seattle Municipal Code as follows:

#### 6.310.137 Involuntary transfer of taxicab or for-hire vehicle medallions

A. The interest of a medallion owner may be suspended or revoked for any reason enumerated in this Chapter for the suspension or revocation of a taxicab or for-hire vehicle license. Upon a final order of revocation where all appellate proceedings, if any, have been concluded, the Director shall coordinate the sale of the medallion at public auction by a licensed auctioneer to the highest and best bidder, who shall pay the amount bid by a cashier's check within seven business days from the time of sale.

The proceeds from the sale of such medallions, after deducting the expenses of the sale and all costs incurred by the City including, but not limited to, attorney's fees, shall be paid, first, to the lienholder or lienholders in the order of date of filing and the balance, if any, shall be paid to the person whose interest in the medallion has been revoked, or to the City when the person cannot be located.

B. Any person holding a bona fide lien or security interest in a taxicab or for-hire vehicle medallion shall have the right to enforcement of a lien against that medallion within thirty days after any final order of revocation where all appellate proceedings, if any, have been concluded and upon actual notice to any lienholder whose name is on file with the Director.

C. In order to perfect a lien or security interest in a taxicab or for-hire vehicle medallion, the party which holds the pledge, lien or security interest, within thirty days of the date of creation of the pledge, lien or security interest, shall record the same as required by State law and provide a copy of the recording to the Director. The collateral shall be described as "City of Seattle taxicab medallion" or "City of Seattle for-hire vehicle medallion" and include the medallion certificate number.

D. Any foreclosure of a perfected lien in a taxicab or for-hire vehicle medallion shall be in the King County Superior Court and the City Finance and Administrative Services Department (FAS) shall be joined as an indispensable party. All holders of liens or security interests senior to the pledge, lien or security interest being foreclosed shall be joined and deemed necessary parties to the foreclosure.

E. Upon a judgment of foreclosure, the Director shall coordinate the sale of the medallion at public auction by a licensed auctioneer to the highest and best bidder, who shall pay the amount bid by a cashier's check within seven business days from the time of sale. The proceeds from the sale of such medallions, after deducting the expenses of the sale and all costs incurred by the City including, but not limited to, attorney's fees, shall be paid, first, to the lienholder or lienholders in the order of date of filing and the balance, if any, shall be paid as directed in the judgment of foreclosure.

F. The institution of foreclosure procedures or the judicial transfer of a medallion shall not prevent the Director from suspending or imposing a civil penalty or taking other administrative action against the medallion owner at the time of the alleged violation.

#### G. Distribution from estate to a beneficiary

1. When a taxicab or for-hire vehicle medallion or stock in a corporation owning such a medallion is distributed from an estate to a beneficiary by a court of law, the transferee shall submit to the Director the court order directing the City to transfer the medallion to the beneficiary. The court order shall condition the transfer upon the transferee complying with this Chapter.

2. An executor or administrator may continue the operation of a taxicab or for-hire vehicle only with prior written approval of the Director. The executor or administrator shall apply for such approval within 120 days of his or her appointment. In the event of any delay not caused by the executor or the administrator, the Director may grant additional time to apply for approval for good cause shown.

Section 8. Section 6.310.150 of the Seattle Municipal Code, last amended by Ordinance 123472, is amended as follows:

#### 6.310.150 Fees((--))



The following nonrefundable fees shall apply:

A. ~~((Taxicab association--))~~ Upon the effective date of this ordinance, taxicab association, taxicab and for hire vehicle license and for-hire driver fees (excluding Transportation Network Company for-hire drivers) for the 2014-2015 vehicle licensing year shall be :

1. Taxicab Association

a. Annual fee . . . . \$1,000

b. Late renewal fee . . . . \$100

~~((Fingerprinting of owners and officers . . . . Charge as determined by Director to cover costs--))~~

~~((B--))~~ 2. Taxicab or for-hire vehicle fees ((license--))

a. Annual license fee . . . . ~~((-\$600--))~~ \$ 500

b. Wheelchair accessible taxicab annual license fee . . . . Waived

c. Late fee (license renewal) . . . . \$60

~~((Change of vehicle....\$100))~~

d. Change of vehicle licensee:

i. July--December . . . . ~~((-\$600--))~~ \$500

ii. January--June (half year) . . . . ~~((-\$300--))~~ \$250

iii. May 16--June 30\*

e. Replace taxicab plate . . . . \$25

f. Special inspection fee\*\* . . . . \$100/hour ( 1/2 hour minimum)

g. Inspection rescheduling fee (non-City licensed vehicles only) . . . . \$25

h. Taxicab change of association affiliation . . . . \$100

~~((Vehicle re-inspection fee (for Class A violations) . . . . \$50~~

~~Suspension reinstatement fee (when no penalty is assessed) or reinspection fee (for Class B violations) . . . . \$100))~~

i. Change of licensee corporation, limited liability company, or partnership members . . . . \$100

~~((Security camera system inspection (when not part of annual inspection)....\$50--))~~

j. Taximeter test (when not part of annual inspection) . . . . \$50

k. This section 6.310.150.A.2 shall take effect and be in force retroactively as of May 1, 2014 in order to apply to all taxicab and for-hire vehicle fees for the 2014- 15 vehicle licensing year July 1, 2014 through June 30, 2015.

\* No change of taxicab licensee or for-hire vehicle licensee fee is due if the transfer occurs between May 16-- June 30. During this period, the change of taxicab or for-hire vehicle licensee and the annual license renewal are accomplished together and only one ~~((+))~~ fee will be assessed.

\*\* For testing of taxicab meter or taxicab inspections provided to other municipalities.

~~((C--))~~ 3. For- hire driver license fees:

a. Annual fee . . . . \$50

~~((Add/change affiliation\*\*\*....\$20))~~

Late fee....\$15

~~((ID photo.....\$5))~~

~~((Fingerprinting....Charge as determined by Director to cover costs--))~~

b. Replacement license . . . . \$5

((Training class fee . . . . As determined by Director))

c. Other training and licensing fees (fingerprinting, ID photo, background check) . . . . Charge as determined by Director to cover costs.

(\*\*For-hire drivers may only be affiliated with a maximum of three taxicab associations at any given time. This fee is only charged when the driver is affiliated with three associations and now wants to delete one association and add another.)

B. Transportation Network Company (TNC) License, Vehicle Endorsement and for For-Hire Driver's License Fees

Upon the effective date of this ordinance, TNCs shall pay \$0.10 per ride for all trips originating in Seattle to cover the estimated enforcement and regulatory costs of TNC licensing, vehicle endorsements and driver licensing. After six months or any time thereafter, the Director may adjust this per ride fee based on the number of new TNC licenses, for-hire driver's licenses and vehicle endorsements issued, and total TNC trips originating in Seattle provided in the previous quarter, as reported pursuant to Section 6.310.540. The purpose of any adjustment is to ensure that the per ride fee covers the estimated enforcement and regulatory costs of TNC licensing, vehicle endorsements and driver licensing. Total TNC industry fees shall not exceed \$525,000 in year one. Unless the Director finds that a TNC has not paid its proportional fees covering the cost of enforcement and regulatory costs for the prior year, at the time of renewing the TNC license, the fees for the current TNC license, vehicle endorsements, and for-hire driver licenses shall be renewed upon approval of completed renewal applications and upon the condition that the TNC continues to submit quarterly per ride fees.

C. The Director may adjust any of the fees in subsection A after the ordinance's effective date, and any of the fees in subsection B six months after the ordinance's effective date, following consideration of the following nonexclusive factors: the projected costs and annual budget allotted for enforcement and regulatory costs across the for-hire transportation industry, the need for increased street inspection in order to reduce illegal activity, the total number of trips originating in Seattle across the for-hire transportation industry, and the administrative burden of issuing additional taxicab licenses, TNC licenses, for-hire driver's licenses and TNC vehicle endorsements. The purpose of any adjustment is to ensure that the fees cover the Director's enforcement and regulatory costs.

Section 9. A new Section 6.310.175 is added to the Seattle Municipal Code as follows:

6.310.175 Wheelchair Accessible Services Fund

A. In addition to the fees specified in subsection 6.310.150, as part of the license

issuance or renewal fee, taxicab, for-hire vehicle licensees, and transportation network companies shall pay a \$0.10 per ride surcharge for all rides originating in the City of Seattle for each vehicle. As part of the City's taxi, for-hire, and transportation network company regulation, this surcharge shall be used to offset the higher operational costs of wheelchair accessible taxi ("WAT") services for owners and operators including, but not limited to: vehicle costs associated with purchasing and retrofitting an accessible vehicle, extra fuel and maintenance costs, and time involved in providing wheelchair accessible trips. Funds shall be distributed by reimbursement for documented, itemized costs. The Director shall adopt by rule the procedure for determining when and how to distribute funds to WAT owners and drivers, including imposing conditions of reimbursement, imposing a maximum amount of reimbursement, and considering timely distribution of reimbursement to WAT drivers and owners. In determining the distribution of funds, the Director shall consider factors including, but not limited to actual consumer demand for WAT services, total number of WAT rides, total number of WAT rides requested through a TNC application, total paid trips per WAT, and average operating hours per WAT.

B. Following the first year of collecting the \$0.10 per ride surcharge, the surcharge rate may be adjusted by the Director based on, but not limited to consideration of the following factors: reimbursed costs for purchasing and retrofitting accessible vehicles, the actual need for purchasing and retrofitting accessible vehicles in the upcoming year, total number of WAT rides, and may consider any other factors that may affect the supply, demand, and financial viability for WAT service within the City limits.

C. Within two years of the effective date of this ordinance, the Director, with input from the Seattle Commission for People with Disabilities, will promulgate rules to determine the need for additional wheelchair accessible taxicabs or for-hire vehicles and how to fund potential new retrofits from the wheelchair accessible services fund.

Section 10. Section 6.310.200, which was last amended by Ordinance 118341, is amended as follows:

6.310.200 Taxicab association ((~~---~~)) (~~(---~~))license application(~~(---~~))

A. Any business or individual desiring to operate as a taxicab association within TheCity of Seattle shall file with the Director a signed and notarized taxicab association application, on forms approved by the Director. The application shall include the following information:

\*\*\*

~~(( 4- A brief description of the uniform the applicant taxicab association proposes to require for drivers of affiliated taxicabs, which shall include full length pants (hemmed slack material), collared shirt, and shoes. The uniform may include the option to wear shorts in the summer, provided that the shorts extend no higher than two inches (2") above the kneecap and are of a similar color and pattern to the uniform full length pants. Further, the uniform may be modified in individual cases as necessary to (1) avoid interfering with the for-hire driver's religious beliefs, and/or (2) accommodate the for-hire driver's disability or disabilities;-))~~

~~((5-))~~ 4. The name, address, phone number and date of birth of the taxicab association representative;

~~((6-))~~ 5. The taxicab number (assigned by the City/County) and the name of each taxicab vehicle owner that will be affiliated with the taxicab association;

~~((7-))~~ 6. The special and/or contract rates that will be charged by taxicabs affiliated with the taxicab association; and

~~((8-))~~ 7. Any other information required by regulations adopted pursuant to this chapter.

~~((9-))~~ 8. The above application and information must be completed for each annual license renewal.

\*\*\*

Section 11. Section 6.310.205 of the Seattle Municipal Code, last amended by Ordinance 119872, is repealed:

~~((6.310.205 Taxicab association owners, partners, and principals--- Investigation-~~

~~All taxicab association owners, partners, and principals must consent to be fingerprinted for a criminal background check.-))~~

Section 12. Section 6.310.230 of the Seattle Municipal Code, last amended by Ordinance 121738, is amended as follows:

6.310.230 Taxicab association~~((---))~~ ~~((-Θ-))~~ operating responsibilities~~((--))~~

In addition to meeting the license application requirements set forth in Section 6.310.200, the taxicab association must:

A. Maintain a business office that:

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

2. Has a local Seattle business telephone number ~~((that is listed in the white and yellow pages of the telephone book))~~ and must be answered during all hours that affiliated taxicabs are operating (Class A),

3. Has a mailing address where the taxicab association representative will accept mail (Class A),

4. Stores all records that this chapter requires the taxicab association to maintain including, but not limited to, copies of taxicab licenses and for-hire drivers licenses, lists of all affiliated taxicabs and affiliated drivers, taxicab vehicle repair and service records, passenger comment cards, new driver training records, vehicle insurance policies, vehicle registrations, ~~((vehicle for-hire certificate, passenger complaint log))~~ taxicab sign out log or equivalent, and radio /computer/application dispatch records (Class A - -- each requirement),

5. Provides secure storage for all items left in the taxicab by patrons and turned in by drivers of affiliated taxicabs (Class A), and

6. Provides radio or computer dispatch during all hours that affiliated taxicabs are operating, and every request for service must be satisfied as long as there are any operating taxicabs not in use; except that associations and for-hire drivers that refuse service pursuant to SMC 6.310.465 L shall not be subject to any penalties by the Director, or, in the case of for-hire drivers, by the association (Class B --- both requirements);

B. Ensure that each affiliated taxicab is insured as required in SMC Sections

6.310.300 D5-6 and 6.310.320 D (Class B);

C. Ensure that each affiliated taxicab maintains the taxicab association's color scheme and identification (Class B);

D. Maintain on file at the taxicab association's place of business proof of insurance required by SMC Sections 6.310.300 C5-6 and 6.310.320 D (Class A);

E. Accept on behalf of any taxicab licensee or driver of an affiliated taxicab all correspondence from the Director to that taxicab licensee or driver (Class A);

F. Send, by first class mail, to the taxicab licensee and for-hire driver of an affiliated taxicab any correspondence from the Director within five ~~((5))~~ business days after the taxicab association receives such correspondence and keeps a written record of the mailings (Class A);

G. Collect, store, and quarterly provide reporting documents to the Director as outlined in Section 6.310.540.

~~((G. Weekly, collect, verify accuracy and completeness, and store for at least two (2) years trip sheet records for all affiliated taxicabs, daily taxicab sign-out logs, and association dispatch records as prescribed by the Director (Class A);~~

~~H. Collect and provide service information, vehicle collision reports, service response time reports, reports of crimes against for-hire drivers, and passenger complaints, pursuant to rules adopted by the Director as follows:~~

~~1. Service Information Reports. Submit quarterly, on forms approved by the Director, the monthly total of paid trips, paid miles, and operating hours for each affiliated taxicab (Class A);~~

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

~~3. Service Response Time Reports. Submit quarterly, on forms approved by the Director, average response times for service requests in the operating areas served by affiliated taxicabs (Class A);~~

~~4. Crimes Against Drivers Reports. Submit quarterly, on forms approved by the Director, a list of all crimes of assault or robbery against affiliated for-hire drivers that were reported to the Seattle Police Department, including the name and number of the affiliated taxicab and for-hire driver, incident number, description of the crime, and injuries (Class A), and~~

~~5. Passenger Complaints. Submit quarterly, on forms approved by the Director, a report which contains information on complaints received directly from passengers and from the passenger complaint hotline as compiled from the log required pursuant to subsection I of this section regarding:~~

~~a. Driver conduct sorted by driving behavior, communication, personal dress or hygiene;~~

- b. ~~Vehicle condition sorted by appearance, mechanical and/or safety,~~
- c. ~~Service response, and~~
- d. ~~Lack of driver knowledge of route or requested destination (Class A).~~
- ~~I. Maintain a log of, and forward to the Director upon request, each oral or written passenger complaint that the taxicab association receives about the taxicab association, a taxicab licensee, or lessee or driver of an affiliated taxicab. The taxicab association must include a notice of the action taken by the taxicab association to resolve the complaint and the disposition (Class A);)~~

~~H ((J))~~. Notify the Director within two ~~((2))~~ working days of the taxicab association having knowledge of the following:

1. A conviction, bail forfeiture or other adverse finding received by the driver or

the taxicab licensee of an affiliated taxicab for any criminal offense or traffic violation that occurs during or arises out of the driver's operation of the taxicab (Class A for traffic violation, Class B for any criminal offense),

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

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

~~((K--))~~ I. Notify the Director within five ~~((5--))~~ working days of any change in the affiliation status of any taxicab, including any new taxicab joining the association, any taxicab leaving the association, and any suspension, termination, nonrenewal or revocation of a taxicab by the taxicab association or by any jurisdiction other than The City of Seattle (Class A);

~~((L--))~~ J. Continue to affiliate with at least ~~((fifteen (15)))~~ 15 taxicabs licensed under this chapter. If the number of taxicabs falls below ~~((fifteen (15--))~~ 15, the taxicab association must increase the number to ~~((fifteen (15--))~~ 15 within six ~~((6--))~~ months from the date the number falls below ~~((fifteen (15--))~~ 15, or combine with an already existing association, or lose its license under this chapter (revocation or nonrenewal);

~~((M--))~~ K. Comply with all regulations promulgated pursuant to this chapter (see applicable rules for penalties or actions);

~~((N--))~~ L. Permit the Director to carry out inspections without notice of all taxicab records required to be kept under this chapter, and all affiliated taxicabs (Class B);

~~((O--))~~ M. Pay all penalties imposed by the Department that are either not contested or are upheld after review (revocation of license);

~~((P--))~~ N. Provide a supervisor at a taxicab zone whenever such zone is used by affiliated taxicabs if the Director determines that it is necessary due to: (1) complaints received from passengers and adjacent property owners, or (2) improper use of nearby passenger load zones, truck load zones, and charter bus zones. If the taxicab association fails to provide a supervisor as required by the Director, the Director may suspend all affiliated taxicabs from using the taxicab zone (first offense - - Class B violation and fourteen-day suspension from taxicab zone; second and subsequent offenses - - Class B violation and sixty-day suspension from taxicab zone); and

~~((Q--))~~ O. Determine whether an affiliated driver, who has been the victim of a crime of assault or robbery, has reported the crime to 911. If not, the taxicab association shall call 911 and report the crime immediately (Class B).

P. Prior to providing taxicab services and annually thereafter, require every affiliated vehicle to undergo a uniform vehicle safety inspection, approved by the Director, that utilizes approved mechanics who shall certify in writing that the vehicle is mechanically sound and fit for driving. The approved mechanic is responsible for checking that the plates, decals, customer notices, and other markings, as required and supplied, if applicable, by the City are legible and properly displayed as specified by the Director by rule. Taxicab associations shall maintain vehicle inspection records. (revocation and Class C).

Section 13. A new Section 6.310.255 to Seattle Municipal Code is adopted, as follows:

#### 6.310.255 For-hire vehicle company operating responsibilities

A for-hire vehicle company must:

A. Collect, store, and quarterly provide reporting documents to the Director as outlined in Section 6.310.540 (Class C);

B. Upon the effective date of this ordinance, submit two two-inch by two-inch sample color chips of the company's proposed color scheme to the Director. All proposed color schemes must be approved by the Director and must be distinct from the orange, yellow or green used by taxicabs. The Director must approve any changes in color scheme. (Class C).

Section 14. A new Section 6.310.260 to Seattle Municipal Code is adopted, as follows:

#### 6.310.260 Transportation network company license eligibility and application

A. Any business or individual desiring to operate as a transportation network company within The City of Seattle shall file with the Director a signed, under penalty of perjury, transportation network company license application on forms provided by the Director.

1. To be eligible for a license, the transportation network company is limited to providing application dispatch services to transportation network company drivers meeting the requirements set forth in Section 6.310.452; further, no TNC licensed by the City of Seattle shall own or be owned or controlled, in whole or in part, by any other TNC licensed by the City of Seattle, or be owned or controlled in whole or in part by any party or entity owning or controlling, in whole or in part, another TNC licensed by the City of Seattle; provided that no ownership restrictions shall apply to any publicly- traded company.

2. The license application shall include the following information:

a. The applicant transportation network company's name, business street address and post office box address (if any), business facsimile number, business phone number and business email address where the transportation network company representative can generally be reached between 9 a.m. and 5 p.m. on all nonholiday weekdays;

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

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

ii. If the applicant transportation network company is a corporation, partnership or other business entity, the names, business addresses, telephone numbers, and date of birth of the person or persons vested with authority to manage or direct the affairs of the legal entity in Seattle or to bind the legal entity in dealings with third parties, and the entity's true legal name, state of incorporation or registration with the Secretary of State of the State of Washington (if any) and State of Washington business license number, and any other information that the Director may reasonably require;

c. Verification that applicant uses only one application dispatch system, as approved by the Director;

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

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

f. During the provisional period described in subsection 6.310.335, file evidence with the City that each vehicle affiliated with a transportation network company has liability insurance in an amount no less than required by RCW 46.72.050 at any time while active on a TNC dispatch system and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident, at any time while active on the TNC dispatch system. The insurance policy, and any related driver contracts if applicable, must be submitted to the Director. The insurance policy shall:

i. At a minimum be issued by either: a) an admitted carrier in the State of Washington with an A.M. Best Rating of not less than B VII or b) a surplus line insurers with an A.M. Best Rating of not less than B+ VII;

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

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

g. By the first business day immediately following the conclusion of the provisional period, the registered owners of vehicles with a transportation network company endorsement, or the transportation network company on behalf of the registered owner must have on file with the City evidence that each vehicle has an insurance policy or binder proving compliance with State insurance requirements effective at that time. The insurance policy, and any related driver contracts if applicable, must be submitted to the Director. If there is no change to State insurance requirements by the conclusion of the provisional period, the TNC shall provide evidence that each vehicle affiliated with a transportation network company has insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident, at any time while active on the TNC dispatch system. The insurance policy shall:

i. Be issued by an admitted carrier in the State of Washington with an A.M. Best Rating of not less than B+ VII or show evidence that an exemption has been met allowing for the use of a surplus line insurer; provided however, that the Director may temporarily suspend any or all of these requirements if no other viable insurance options are available to the industry

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

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

iv. Not include aggregate limits, or named driver requirements or exclusions. Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.

i. State of Washington vehicle registration for each vehicle affiliated with the transportation network company.

j. Certificate of a uniform vehicle safety inspection for each vehicle affiliated with the transportation network company as required in Section 6.310.270.R.

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

l. The above application and information must be completed for each annual license renewal.

B. The TNC license fee shall be paid as set forth in Section 6.310.150.

C. The transportation network company applicant or licensee must inform the Director in writing within seven days if any of the information provided pursuant to Section 6.310.260.A changes, ceases to be true or is superseded in any way by new information.

D. A transportation network company license is valid for no more than one year. No transportation network company license may be renewed unless all outstanding penalties assessed against the transportation network company and its affiliated drivers have been paid to the Director. The TNC license renewal fee shall be paid as set forth in Section 6.310.150.

Section 15. A new Section 6.310.265 to Seattle Municipal Code is adopted, as follows:

6.310.265 Transportation network company (TNC) standards for license application or renewal denial

A. The operation of a TNC is a privilege, not a right. The TNC's ability to satisfy stated criteria for a TNC license does not create a right to a TNC license.

B. The Director shall deny any TNC license application if the Director determines that:

1. The applicant fails to submit proof of insurance and driver contracts as required by Section 6.310.260.

2. The applicant provides application dispatch services to anyone other than TNC drivers meeting the requirements set forth in Section 6.310.452;

3. The applicant uses more than one application dispatch system;

4. The applicant leases, permits, or otherwise allows others to use its application dispatch system;

5. The applicant affiliates with and provides application dispatch services to drivers without a for-hire vehicle driver's license;

6. The applicant affiliates with and provides application dispatch services to drivers operating vehicles without a for-hire vehicle or taxicab license, or a vehicle without a TNC vehicle endorsement.

7. The application has a material misstatement or omission;

8. The application is incomplete; and/or

9. Within three years of the date of application, the applicant, or any person employed by the applicant to manage Seattle operations, 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 TNC, vehicle affiliated with a TNC, or TNC driver.

C. The Director may deny any TNC license application if the Director determines that, within five years of the date of application, the TNC applicant, or if the TNC applicant is a business entity, any person employed by the TNC to manage Seattle operations:

1. Within five years of the date of application, has had a bail forfeiture, conviction 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; and/or

2. Has exhibited past conduct, as evidenced by a criminal conviction, bail forfeiture in operating a TNC, business or vehicle that would lead the Director to reasonably conclude that the applicant will not fulfill the TNC responsibilities and requirements set forth in this chapter.

3. Has failed to meet one or more operating responsibilities as detailed in Section 6.310.270.

Section 16. A new Section 6.310.270 to Seattle Municipal Code is adopted, as follows:

#### 6.310.270 Transportation network company (TNC) operating responsibilities

In addition to meeting the license application requirements set forth in Section 6.310.260, the TNC must:

A. Maintain a business office that:

1. Is open and personally staffed all business days between 9 a.m. and 5 p.m., accessible by email and toll-free telephone lines (Class A);

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

3. Has a mailing address and email address where the TNC representative will accept mail. (Class A);

4. Stores all records that this chapter requires the TNC to maintain including, but not limited to, copies of for-hire drivers licenses and TNC vehicle endorsements (if applicable) of TNC drivers, lists of all TNC drivers and their affiliated vehicles, vehicle repair and service records, passenger comment records, new driver training records, vehicle insurance policies, and vehicle registrations, . Records may be maintained electronically. (Class A --- each requirement);

5. Provides a system for passengers to retrieve lost articles. (Class A); B. Requires that each TNC driver's vehicle is insured as required in Sections 6.310.260 and 6.310.452. (revocation and Class C);

C. Requires that each affiliated vehicle maintains the TNC's dress code, if any, at all times while active on the TNC dispatch system. (Class B);

D. Requires that TNC licensed drivers driving a TNC endorsed vehicle do not pick up hails, cruise or otherwise solicit trips. (revocation and Class C);

E. Requires that TNC drivers driving a TNC endorsed vehicle do not take trips not dispatched by the TNC. (revocation and Class C);

F. Requires that passengers be able to view a picture of the driver and vehicle license plate number on their smart phone, tablet or other mobile device used to connect with the TNC dispatch application before the trip is initiated. (Class B);

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

H. Maintain insurance as required by Section 6.310.260, (Class C and summary suspension) and maintain on file at the TNC's place of business proof of insurance required by Sections 6.310.260 and 6.310.452. (Class A);

I. Send, by first class mail and email, to a TNC driver any correspondence from the Director within five business days after the TNC receives such correspondence and keeps a written record of the mailings (Class A);

J. Collect, store, and quarterly provide reporting documents to the Director as outlined in Section 6.310.540.



K. Notify the Director within two working days of the TNC having knowledge of the following:

1. A conviction, bail forfeiture or other adverse finding received by a TNC driver for any criminal offense or traffic violation that occurs during or arises out of the driver's operation of the vehicle while active on any TNC dispatch (Class A for traffic violation, Class B for any criminal offense),
2. A conviction, bail forfeiture or other adverse finding received by a TNC driver for any other criminal offense directly bearing on the driver's fitness to operate a vehicle or the affiliated driver's fitness to be licensed, including but not limited to theft, fraud, robbery, burglary, assault, sex crimes, alcohol, drugs, or prostitution (Class B),
3. A vehicle accident required to be reported to the State of Washington involving any TNC driver (Class B),
4. Any restriction, suspension or revocation of a State of Washington driver's license issued to a TNC driver (Class B), and/or
5. Any matter listed in subsections 6.310.265.B.9 or 6.310.265.C (Class B);

L. Notify the Director within five working days of any revocation of a TNC driver's access to the TNC dispatch application, for-hire license or TNC vehicle endorsement. (Class A);

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

N. Employ a zero tolerance drug and alcohol policy with respect to TNC drivers as follows:

1. The TNC shall include a notice on its website, dispatch system application, and passenger trip confirmations of its zero-tolerance policy and the methods to report a driver the passenger reasonably suspects was under the influence of drugs or alcohol during the trip;
2. The website and application dispatch system must include a phone number, website link, and email to report a zero-tolerance complaint, as well as the phone number and email to report a zero-tolerance complaint to the Department of Finance and Administrative Services, Consumer Protection Unit, (Class B);

O. Allow passengers to indicate whether they require a wheelchair-accessible vehicle and connect passengers to those services via a weblink, application, or phone number.

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

Q. Review driving records of TNC drivers and maintain records thereof. Drivers with convictions within the last 7 years for any alcohol or drug related offense, reckless driving, hit and run, or driving with a suspended or revoked license shall not be permitted to provide TNC services. (Class B)

R. Prior to providing TNC services and annually thereafter, require every affiliated vehicle to undergo a uniform vehicle safety inspection, approved by the Director, that utilizes an approved mechanic who shall certify in writing that the vehicle is mechanically sound and fit for driving. The approved mechanic shall certify in writing that the plates, decals, and customer notices required and supplied by the City are legible and properly displayed as specified by the Director by rule. Transportation network companies shall maintain vehicle inspection records. (revocation and Class C)

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

T. Determine whether a TNC driver, who has been the victim of a crime of assault or robbery, has reported the crime to 911. If not, the TNC shall call 911 and report the crime immediately (Class B).

U. Maintain a TNC license to operate in The City of Seattle as issued under this chapter (revocation and Class C).

V. TNCs shall provide a written insurance disclosure to TNC drivers. The written insurance disclosure must include the following language: "[insert full corporate name and designation of TNC] confirms, in accordance with SMC 6.310.260.A.2., that while driver [insert driver's full name] is active on its TNC dispatch system as defined by SMC 6.310.110, the driver's vehicle is insured as required by RCW 46.72.050." (Class B.)

W. Upon request, permit the Director to review any records as required to be kept under this chapter. (Class B)

Section 17. A new Section 6.310.275 to Seattle Municipal Code is adopted, as follows:

6.310.275 Transportation network company (TNC) transfers in the interest of a transportation network company

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

Section 18. Section 6.310.300 of the Seattle Municipal Code, last amended by Ordinance 122763, is amended as follows:

6.310.300 Taxicab and for-hire vehicle license application(~~(--)~~)

\*\*\*

C. The taxicab or for-hire vehicle license application shall include the following information:

\*\*\*

4. (~~Criminal history, as requested by the Department,--~~) Consent of the vehicle owner, or if the vehicle owner is a business entity, of the persons specified in subsection C1 b above(~~--~~), to a criminal background check through Washington State Patrol and Federal Bureau of Investigation criminal databases conducted by the Director, or have a copy of a criminal background check provided directly from a Director- approved third party vendor;

5. Insurance policy.

a. During the provisional period described in subsection 6.310.335, file with the City evidence that each taxicab or for-hire vehicle for which a license is sought has liability insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident at any time while active on a TNC, application, radio, computer, taxicab or for-hire dispatch system, and/or when a taxicab or for-hire vehicle is 'operating,' which includes when: 1) there is a passenger in the vehicle; 2) the taxicab is parked in a taxi zone; 3) the taximeter is engaged; 4) the office dispatch records show that the vehicle had been dispatched; 5) the taxicab top light is illuminated; 6) the trip records shows that the vehicle has started a shift and there is no entry for ending a shift; or 7) the for-hire driver has offered transportation services to a passenger. The insurance policy must be submitted to the Director. The insurance policy shall:

i. At a minimum be issued by either: a) an admitted carrier in the State of Washington with an A.M. Best Rating of not less than B VII or b) a surplus line insurer with an A.M. Best Rating of not less than B+ VII;

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

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

b. By the first business day immediately following the conclusion of the provisional period, file with the City evidence that each taxicab or for-hire vehicle for which a license is sought has an insurance policy proving compliance with State insurance requirements effective at that time. The insurance policy must be submitted to the Director. If there is no change to State insurance requirements by the conclusion of the provisional period, file with the City the (( l)) insurance policy (~~or insurance binder~~) proving compliance with Chapter 46.72 RCW, as now or hereafter amended, for each taxicab or for-hire vehicle for which a license is sought. The insurance policy (~~or insurance binder~~) shall:

i. (~~a~~) Be issued by an admitted carrier in the State of Washington with an A.M. Best Rating of not less than (~~A~~) B+ VII or show evidence that an exemption has been met allowing for the use of a surplus line insurer; provided however, that the Director may temporarily suspend any or all of these requirements if no other viable insurance options are available to the industry,

ii(~~b~~). Name The City of Seattle as an additional insured,

iii (~~c~~). Provide that the insurer will notify the Director, in writing, of any cancellation at least (~~thirty (30)~~) 30 days before that cancellation takes effect, and

iv (~~d~~). Not include (~~self-insured retention, nonstandard deductibles,~~) aggregate limits, (~~territorial restrictions,~~) or named driver requirements or exclusions. (~~or any other provisions that limit insurance coverage.~~) Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.

6. Certificate of underinsured motorist coverage indicating a minimum coverage of (~~One Hundred Thousand Dollars (\$100,000)~~) \$100,000 per person, and (~~Three Hundred Thousand Dollars (\$300,000)~~) \$ 300,000 per accident.

(~~7. State of Washington For-hire Certificate.~~)

~~((8-))~~ 7. State of Washington vehicle registration.

~~((9-))~~ 8. Certificate of vehicle safety based on a uniform vehicle safety inspection as required in ~~((SMC Section-))~~ subsection 6.310.320 E.

~~((10-))~~ 9. Certificate of taxicab association membership (if application is for a taxicab license).

~~((11-))~~ 11. Any other documents required by regulations promulgated under this chapter.

~~((12-))~~ 12. The above application and information must also be completed and supplied during any annual license renewal. The City will not process a taxicab or for-hire vehicle license application if any required information or documentation is missing or incomplete. Completed applications and copies of required documentation shall be provided to the City by the taxicab association, for-hire vehicle company or for-hire vehicle licensee.

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Section 19. Section 6.310.305 of the Seattle Municipal Code, last amended by Ordinance 118341, is repealed:

~~((6.310.305 Taxicab and for-hire vehicle owners—Investigation:~~

~~All applicants for a taxicab or for-hire vehicle license must consent to be fingerprinted for a criminal background check--))~~

Section 20. Section 6.310.320 of the Seattle Municipal Code, last amended by Ordinance 122802, is amended as follows:

6.310.320 Taxicab and for-hire vehicle~~((---))~~ ~~((V-))~~ vehicle operating requirements~~((--))~~

No taxicab or for-hire vehicle, unless otherwise specifically provided herein, licensed by the City may lawfully operate within ~~((+))~~ the ~~((-))~~ City of Seattle unless the following minimum vehicle requirements are met:

A. All applicable licenses specified in Section 6.310.130 are in force for the taxicab or for-hire vehicle (Misdemeanor or Class C);

B. For taxicabs only, and subject to ~~((Section-))~~ subsection 6.310.230\_C, the vehicle complies with the approved color scheme of the taxicab licensee's taxicab association (suspension and Class B);

C. The vehicle model year can be no more than ten~~((seven-7-))~~ years prior to the license date (denial of license);

D. The vehicle has insurance as required by ~~((SMC Section-))~~ subsections 6.310.300\_C\_5 and 6.310.300\_C\_6, provided, that if an insurance policy is canceled, or a vehicle is deleted from the policy, proof of a new policy including the vehicle must be filed with the Director before the vehicle is canceled or deleted from the previous policy (summary suspension);

E. An approved mechanic has issued a valid certificate of safety based on a uniform vehicle safety inspection performed ~~((for the vehicle))~~ within the last license year. The safety certificate remains valid, if the vehicle is sold, until the next renewal date (denial of license) , this section 6.310.320.E shall be effective 90 days from the effective date of this ordinance;

~~((F. The taxicab or for-hire vehicle has passed a City inspection at least once in the past license year, or more often if required by the Director because of previous violations (suspension and Class B);--))~~

~~((G-))~~ F. The taxicab or for-hire vehicle meets the vehicle and safety standards set forth in regulations promulgated by the Director (Class A for vehicle standards, summary suspension and Class B for safety standards);

~~((H-))~~ G. The taxicab or for-hire vehicle displays a taxicab or for-hire vehicle license with a current year decal issued by the Director (suspension and Class B);

~~((I-))~~ H. All public rates, including discounts or special rates, and all taxicab numbers and letters are displayed in the manner prescribed by rule or regulation promulgated pursuant to this chapter (Class A);

~~((J-))~~ I. The vehicle contains the following current documentation: ~~((the state for-hire certificate--))~~ the county and/or city taxicab or for-hire vehicle license, the vehicle registration, and the proof of insurance card (Class A);

~~((K-))~~ J. The taxicab is equipped to accept credit cards (Class A);

~~((L-))~~ K. The taxicab is equipped with a properly sealed, working, and accurate receipt-issuing taximeter or receipt-issuing mobile data terminal or receipt-issuing application dispatch system, as prescribed by the Director (suspension and Class B).

~~((M))~~ L. The taxicab or for-hire vehicle is equipped with a passenger information decal, the size, material, and placement of which is prescribed by the Director by rule. Such decal shall include the taxicab or for-hire vehicle name and number and the taxi complaint hotline telephone number. A passenger information notice in Braille and raised lettering must be installed as prescribed by the Director by rule. Passenger survey and complaint cards must be available to passengers in the rear passenger seating area (Class A --- each);

~~((N))~~ M. The taxicab contains no scanner or other type of receiver that is capable of monitoring another Taxicab Association's assigned frequency, except as otherwise permitted by the Director (suspension and Class B);

~~((O))~~ ~~The taxicab is equipped and operated so that it can be contacted by continuous two-way radio communications using a central dispatch radio base station and a noncell frequency assigned and licensed by the FCC to an association or contracted dispatch service (summary suspension and Class B);~~

~~((P))~~ N. The taxicab or for-hire vehicle meets the vehicle requirements prescribed by Director's rule, including but not limited to vehicle size and standards for fuel efficiency and emissions (denial of license);

~~((Q))~~ ~~The for-hire vehicle must have any color scheme and vehicle number approved with the Director~~

O.

1. As of the first license renewal period after the effective date of this ordinance, for-hire vehicle owners or companies with a color scheme composed solely of the yellow, orange, and/or green, or any combination thereof, used by taxicabs, shall repaint the hood, roof, and trunk of those vehicles a color distinct from those used by taxicabs. (summary suspension and Class B)

2. Any for-hire vehicle owner or company who obtains a new vehicle shall paint the hood, roof, and trunk of that vehicle a color distinct from the yellow, orange, or green used by taxicabs. (summary suspension and Class B)

3. The for-hire vehicle company shall submit two two- inch by two-inch sample color chips of the proposed color scheme to the Director. All proposed color schemes must be approved by the Director. (Class C);

P. The for-hire vehicle must have a vehicle number approved with the Director (summary suspension and Class B);

Q. The for-hire vehicle must be clearly marked as "flat rate" on its exterior (summary suspension and Class B);

R. Signs, including notices, announcements, pictures, advertisements or other messages, are allowed in or on taxicabs only as prescribed by this Chapter and by rule promulgated by the Director concerning the manner in which such signs may be displayed, including, but not limited to, requirements concerning the number of signs per vehicle, placement on or within vehicles, size limitations, and devices or mechanisms used to display such signs (Class A);

~~((S))~~ ~~The taxicab and for-hire vehicle must be equipped with an operable digital security camera system approved by the Director pursuant to specifications provided by rule and adopted by the Director (summary suspension and Class B). All for-hire vehicles must be in compliance with this provision by March 1, 2009. Access to images made by any digital security camera is restricted to law enforcement personnel solely for the investigation and prosecution of crimes (Class C). Nothing in this subsection 5 shall be construed to remove a law enforcement agency's obligation to comply with the Fourth Amendment of the United States Constitution and article 1, section 7 of the Washington Constitution in obtaining access to digital security camera images, including the requirement to obtain a search warrant if needed;~~

~~((T))~~ S. The taxicab or for-hire vehicle must be equipped with a monitored silent alarm system approved by the Director pursuant to specifications provided by rule and adopted by the Director (summary suspension and Class B);

~~((U))~~ T. The taxicab or for-hire vehicle must be equipped with a monitored Global Positioning System (GPS) pursuant to specifications contained in a rule promulgated by the Director (summary suspension and Class B);

~~((V))~~ U. The taxicab must maintain a continuous connection between the taximeter and the computer dispatch system or between the taximeter and the application dispatch system, if such system is installed (five-day suspension and Class B); ~~((and))~~

V. A top light may only be used by taxicabs;

W. Any other requirements set forth in regulations adopted pursuant to this chapter (safety regulations---Class B; nonsafety regulations---Class A).

Section 21. A new Section 6.310.325 is added to the Seattle Municipal Code as follows:

6.310.325 Vehicles affiliated with a transportation network company (TNC) vehicle operating requirements

No vehicle affiliated with a TNC shall operate within The City of Seattle to transport passengers for compensation unless the following minimum vehicle requirements are met:

- A. The vehicle is a taxicab or for-hire vehicle licensed under this chapter, or the vehicle has a TNC vehicle endorsement.
- B. Affiliated with a licensed transportation network company;
- C. Affiliated with a driver with a for-hire driver's license;
- D. The vehicle has insurance coverage as required by section 6.310.260;
- E. Passed the uniform vehicle safety inspection as required by subsection 6.310.270.R; and
- F. The vehicle model year can be no more than ten years prior to the license date.

Section 22. A new Section 6.310.327 is added to the Seattle Municipal Code as follows:

#### 6.310.327 Transportation network company (TNC) vehicle endorsement eligibility and application

A. Within 120 days of the effective date of this ordinance, any person who wishes to affiliate and operate, or continue to affiliate and operate for a TNC using a personal vehicle shall submit an application for a TNC vehicle endorsement and, if not already a licensed for-hire driver, a for-hire driver's license, to the City.

Failure to submit an application for a TNC vehicle endorsement and for-hire driver's license, shall subject a driver operating for a TNC to penalties pursuant to subsection 6.310.600. At the conclusion of 120 days following the effective date of this ordinance, all persons who wish to affiliate and operate for a TNC using a personal vehicle must first obtain a TNC vehicle endorsement and for-hire driver's license.

B. The TNC vehicle endorsement is not valid and effective until and unless the driver obtains a for-hire driver's license under this chapter. The for-hire driver's application process is governed by Section 6.310.400.

C. To apply for the TNC vehicle endorsement, the applicant shall complete, sign, swear to and file with the Director a TNC vehicle endorsement 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 21 years prior to the date of application, height, weight, color of hair and eyes;
3. Washington State driver's license number. Providing the social security number is optional. The applicant must present his/her Washington State driver's license at time of application;
4. Proof that the applicant is authorized to work in the United States;
5. Evidence of vehicle insurance as required by Section 6.310.260; (denial of endorsement)
6. Evidence of for-hire driver's license; (denial of endorsement)
7. Proof that applicant's vehicle has passed the uniform vehicle safety inspection as required by subsection 6.310.270.R (denial of endorsement); and
8. Proof that applicant's vehicle model year is no more than ten years prior to the license date. (denial of endorsement)
9. Such other information as may be reasonably required by regulation promulgated under this chapter.
10. The above application and information must also be completed and supplied during any annual license renewal. The City will not process a TNC endorsement application if any required information or documentation is missing or incomplete. Completed applications and copies of required documentation shall be provided to the City by the TNC, taxicab association, for-hire vehicle company or by the for-hire vehicle licensee.

Failure to meet any of these requirements shall result in the denial of the issuance of the TNC vehicle endorsement. All denials or revocations of TNC vehicle endorsement applications must be set forth in writing, together with the reasons for denial or revocation. The written denial shall be delivered either personally or by first class mail to the address provided by the applicant on the license renewal application.

D. The TNC vehicle endorsement consists of a certificate that shall include the following information:

1. Vehicle identification number (VIN);

2. Registered owner's full legal name;
3. License plate number;
4. Expiration date; and
5. Unique certificate number that will correspond with the number on a TNC vehicle endorsement sticker affixed to the for-hire driver's license and with the number on a decal affixed to the affiliated vehicle.

E. The TNC may submit the TNC vehicle endorsement application on behalf of the driver.

Section 23. A new Section 6.310.328 is added to the Seattle Municipal Code as follows:

6.310.328 Transportation network company (TNC) vehicle endorsement standards for denial

A. The Director shall deny any TNC vehicle endorsement application if the Director determines that:

1. The applicant has failed to submit a complete, satisfactory application pursuant to SMC Section 6.310.327;
2. The applicant has failed to affiliate with a licensed TNC;
3. The applicant has made any material misstatement or omission in the application for an endorsement;
4. The applicant fails to meet one or more of the applicant or vehicle requirements pursuant to Sections 6.310.325 and 6.310.327; and/or

5. Within three years of the date of application, the applicant has had a conviction, bail forfeiture or other final adverse finding of criminal fraud, larceny, theft, prostitution, extortion, racketeering, robbery, or violation of the Uniform Controlled Substances Act where such crime involved the use of the endorsed vehicle.

B. The Director may deny any TNC vehicle endorsement application if the Director determines that:

1. Within five years of the date of application, the applicant has had a conviction, bail forfeiture, or other final adverse finding involving crimes reasonably related to the applicant's ability to operate a for-hire business, including but not limited to prostitution, gambling, fraud, larceny, extortion, income tax evasion;
2. Within two years of the date of application, the applicant has been found, either through a criminal conviction, bail forfeiture or other final adverse finding (including in a civil suit or administrative proceeding) to have exhibited past conduct in driving or operating a for-hire vehicle for-hire business which would lead the Director to reasonably conclude that the applicant will not comply with the provisions of the chapter related to vehicle requirements and the safe operation of the vehicle;
3. Within two years of the date of application, the applicant has engaged in the business of operating any taxicab or for-hire vehicle within The City of Seattle without a current valid license from The City of Seattle;
4. Within twelve months of the date of application, the applicant has violated King County or Port of Seattle ordinance or regulation pertaining to the operation of taxicabs while in those jurisdictions, if such violation would constitute grounds for license revocation or denial if occurring within the City; and/or
5. Within twelve months of the date of application, the applicant has had its City of Seattle for-hire vehicle license revoked.

Section 24. A new Section 6.310.329 is added to the Seattle Municipal Code as follows:

6.310.329 TNC vehicle endorsement expiration and renewal

A. All TNC vehicle endorsement shall be effective for no more than one year and shall expire the same day as the for-hire driver's license it endorses.

B. TNC driver must renew the TNC vehicle endorsement every year. No TNC vehicle endorsement may be renewed unless all outstanding penalties assessed against the for-hire driver of the endorsed vehicle are paid in full to the Director.

C. The Director shall grant all timely submitted and completed renewal applications of qualified TNC drivers; provided, however, that the Director shall deny any renewal application if grounds exist for the Director to deny an endorsement pursuant to Section 6.310.327 or Section 6.310.328 A. If no such grounds exist, the Director shall examine all Department records on the endorsed vehicle and may deny the renewal if grounds exist that would justify denial under Section 6.310.328 B.

Section 25. Section 6.310.330 of the Seattle Municipal Code, last amended by Ordinance 124256, is amended as follows:

6.310.330 Taxicab licensee and for-hire vehicle licensee responsibilities(~~(--)~~)

A. The licensee of a taxicab or for-hire vehicle must personally verify that the taxicab or for-hire vehicle is being operated only by a driver who holds a valid for-hire driver's license (suspension (five (~~(-5-)~~) days) and Class B).

B. The taxicab or for-hire vehicle licensee must maintain an (~~(a business and mailing)~~) address where the licensee can accept mail, and a (~~business~~) telephone in working order. (~~(that must be answered at least nine a.m. (9:00 a.m.) to five p.m. (5:00 p.m.) Monday through Friday, and during all hours of operation.)~~) The taxicab association office or dispatch center may suffice for this requirement (Class A).

C. The taxicab licensee shall comply with all requirements for taxicabs under the taxicab association requirements listed in (~~(SMC)~~) Sections 6.310.200--- 6.310.330 (same Class violation as applied to association for same violation, except that penalty for licensee will be monetary penalty only).

D. The taxicab or for-hire vehicle licensee must notify the Director within three (~~(-3-)~~) working days of learning of the following occurrences:

1. Any conviction, bail forfeiture or other final adverse finding received by the taxicab driver or for-hire vehicle driver, for any criminal offense that occurs during, or arises out of, the driver's operation of a taxicab or for-hire vehicle (Class B);

2. Any conviction, bail forfeiture or other final adverse finding received by the taxicab or for-hire vehicle driver for any criminal offense involving theft, robbery, burglary, assault, sex crimes, drugs, prostitution, or any related offense (Class B);

3. Any vehicle accident required to be reported to the State of Washington involving any taxicab operated by the taxicab driver or for-hire vehicle operated by the for-hire driver (Class B); or

4. Any restriction, suspension or revocation of the taxicab or for-hire vehicle driver's motor vehicle driver's license (Class B).

E. The taxicab or for-hire vehicle licensee must maintain daily trip (~~(sheet)~~) records, in accordance with Section 6.310.540 (( SMC Section 6.310.460-F, and complaint logs,)) as prescribed by the Director by rule for all licensed vehicles. A taxicab licensee must insure that all original daily trip records (~~(sheets)~~) are given to the taxicab association representative at least weekly. The for-hire vehicle licensee must keep daily trip records in accordance with SMC Section 6.310.540 ((sheets and complaint logs)) for a minimum of two (~~(-2-)~~) years. The for-hire vehicle licensee must provide to the Director, through their association representative, quarterly reporting information in accordance with Section 6.310.540 ((the following information compiled from the daily trip sheets:

~~1. Number of service requests (trips) during the last quarter;~~

~~2. Average operating hours per week per vehicle for the last quarter;~~

~~3. Number of complaints received regarding:~~

~~a. Driver conduct categorized by driving behavior, communication, personal dress or hygiene;~~

~~b. Vehicle condition categorized by appearance, mechanical and/or safety;~~

~~c. Service response, and~~

~~d. Lack of driver knowledge including incorrect route or no knowledge of destination requested~~

~~4. All complaints received regarding either the for-hire driver or the taxicab or for-hire vehicle, where such complaint involves an alleged violation of this chapter, including a note of the action taken to resolve the complaint and the disposition, if known (all violations within subsection E are Class A.)~~

F. The taxicab or for-hire vehicle's licensee and driver shall permit the Department

to inspect the vehicle without notice, upon request (suspension and Class B).

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I. The taxicab or for-hire vehicle licensee shall ensure that all inspection times scheduled by the Director, if applicable, are kept (suspension, (~~(fifty dollar (\$50-))~~) \$50 monetary penalty and two (2) penalty points).

J. Prior to providing for-hire vehicle services and annually thereafter, require every affiliated vehicle to undergo a uniform vehicle safety inspection, approved by the Director, that utilizes approved mechanics who shall certify in

writing that the vehicle is mechanically sound and fit for driving. The approved mechanic is responsible for checking that the plates, decals, customer notices, and other markings, as required and supplied, if applicable, by the City are legible and properly displayed as specified by the Director by rule. For-hire vehicle companies or for-hire vehicle licensees shall maintain vehicle inspection records (revocation and Class C). The taxicab or for-hire vehicle licensee shall comply with any written notice of violation issued by the Director, including notices suspending or revoking a vehicle license, and notices requiring repair (suspension and Class B).

K. A wheelchair accessible taxicab licensee must personally drive the vehicle a minimum of ~~((thirty))~~ 30 hours per week for at least forty weeks per year ~~((revocation))~~ for a period of three years following the date of issuance of a new wheelchair taxicab license (wheelchair taxicab license revocation). If a licensee fails to fulfill the minimum use requirement in any one year period within the three year period following the date of issuance, the license shall be subject to revocation. This subsection shall take effect and be in force retroactively as of the effective date of this ordinance.

~~((L. A taxicab or for-hire vehicle licensee shall not tamper with, disable, remove, or willfully damage the digital security camera equipment required under this chapter (Class C).))~~

~~M. A taxicab or for-hire vehicle licensee shall not alter, edit, destroy, remove, copy, transfer, transmit, erase, delete, overwrite, obscure, damage, encode, lock, render unreadable, or otherwise tamper with any image made by a digital security camera, other than as may occur in the normal operation of the digital security camera system as mandated and authorized by the Director (Class C).))~~

~~((N.))~~ L. After December 31, 2007, new taxicab licenses shall be issued to single individuals only, and no corporation, limited liability company, or partnership shall obtain any license held by an individual until the expiration of a period of three ~~((five (5)))~~ years following the original date of issuance to the individual licensee currently holding the license; provided, however that new taxicab licenses may be issued to and be held by the following business entities:

1. Corporations held by a single shareholder provided that the taxicab must be personally operated by the single shareholder for a period of three ~~((five))~~ years from the date of issuance of the license and the ownership of the shares of the corporation cannot be changed within the three ~~((five))~~-year period. Any change of ownership of shares of the corporation shall result in revocation of the license.

2. Limited liability companies comprised of a single member provided that the taxicab must be personally operated by the single member for a period of three ~~((five))~~ years from the date of issuance of the license and no change of membership may take place within the three ~~((five))~~-year period. Any change of membership of the limited liability company shall result in revocation of the license.

For a period of three ~~((five (5)))~~ years following the date of issuance of a new taxicab license, all new taxicab licensees must personally drive the taxicab for a minimum use requirement of ~~((thirty (30)))~~ 30 hours per week for a minimum of ~~((forty (40)))~~ 40 weeks per year (taxicab license revocation). If a licensee fails to fulfill the minimum use requirement in any one year period within the three ~~((five))~~ year period following the date of issuance, the license shall be subject to revocation. Taxicab licensees shall provide to the Director, directly or through their association representative, quarterly reporting information in accordance with Section 6.310.540. ~~((submit original trip records sheets to the Director on a monthly basis, in a manner prescribed by Director's rule, to prove compliance with the minimum use requirement. For purposes of this paragraph, "licensee" or "licensees" refers to individual licensees, single sole shareholders of a licensed corporation, or single members of a licensed limited liability company. (Class A, if trip sheets are submitted late; taxicab license revocation, if trip sheets are falsified or not in compliance).))~~

3. At the time of the transfer of any taxicab license occurring after August 1, 2008, the transferor(s) and transferee(s) of the license shall report to the Director the amount of consideration, if any, paid by the transferee to the transferor in exchange for the transfer of the license. The amount of consideration shall be reported in a manner determined by rule promulgated by the Director. The failure to report, or the reporting of false information, shall be grounds for suspension or revocation of the license. In creating and maintaining records of the amount of consideration paid, the Director shall not identify the transferees and transferors, nor shall the Director require the submission of any records that identify the transferees and transferors.

~~4. ((The Director shall conduct a survey of taxicab licensees to determine the market value of taxicab license transfers that have occurred from January 1, 1991 through August 1, 2008. All licensees shall respond in good faith to the survey to provide accurate information to the extent reasonably possible (Class A). Responses to the survey shall be made in such manner determined by rule promulgated by the Director. In creating and maintaining records of the amount of consideration paid, the Director shall not identify the transferees and transferors, nor shall the Director require the submission of any records that identify the transferees and transferors.)) This section 6.310.330 shall take effect and be in force retroactively as of the effective date of this ordinance.~~

~~((O.))~~ M. A taxicab licensee shall not change the totalizer readings on the taximeter (Class A).

Section 26. A new Section 6.310.335 is added to the Seattle Municipal Code as follows:



### 6.310.335 Provisional Insurance Requirements

A. Upon the effective date of this ordinance and until the earlier of 1) the effective date of changes to State insurance requirements for for-hire transportation services or 2) two weeks after the end of the 2015 Washington State legislative session hereafter "provisional period", the registered owners of taxicabs, for-hire vehicles, and vehicles with a transportation network company endorsement, or the taxicab association representative, for-hire vehicle licensee or company, or transportation network company on behalf of the registered owner shall:

1. File with the City evidence that each vehicle has liability insurance in an amount not less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident at any time while active on a TNC, application, radio, computer, taxicab or for-hire dispatch system, and/or when a taxicab or for-hire vehicle is 'operating,' which includes when: 1) there is a passenger in the vehicle; 2) the taxicab is parked in a taxi zone; 3) the taximeter is engaged; 4) the office dispatch records show that the vehicle had been dispatched; 5) the taxicab top light is illuminated; 6) the trip records shows that the vehicle has started a shift and there is no entry for ending a shift; or 7) the for-hire driver has offered transportation services to a passenger. The insurance policy, and any related driver contracts if applicable, must be submitted to the Director. The insurance policy shall:

i. At a minimum be issued by either: a) an admitted carrier in the State of Washington with an A.M. Best Rating of not less than B VII or b) a surplus line insurer with an A.M. Best Rating of not less than B+ VII;

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

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

B. By the first business day immediately following the conclusion of the provisional period, the registered owners of taxicabs, for-hire vehicles, and vehicles with a transportation network company endorsement, or the taxicab association representative, for-hire vehicle licensee or company, or transportation network company on behalf of the registered owner must have on file with the City evidence that each vehicle has an insurance policy proving compliance with State insurance requirements effective at that time. The insurance policy and any related driver contracts if applicable, must be submitted to the Director. (Summary suspension). If there is no change to State insurance requirements by the conclusion of the provisional period, the registered owners of taxicabs, for-hire vehicles, and vehicles with a transportation network company endorsement, or the taxicab association representative, for-hire vehicle licensee or company, or transportation network company on behalf of the registered owner shall provide evidence that each vehicle has an insurance policy that complies with subsections 6.310.260g or 6.310.300 C.5.b and C.6.

Section 27. Section 6.310.340 of the Seattle Municipal Code, last amended by Ordinance 122763, is amended as follows:

6.310.340 Taxicab and for-hire vehicle ~~license transfer~~ license transfer

A for-hire vehicle or taxicab license may be transferred subject to the following restrictions and/or conditions:

A. New taxicab licenses issued after December 31, 2007 are not transferable for a period of ~~(five (5))~~ three years from the original date of issuance. This subsection shall take effect and be in force retroactively as of the effective date of this ordinance.

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Section 28. Section 6.310.400 of the Seattle Municipal Code, last amended by Ordinance 121738, is amended as follows:

6.310.400 For-hire driver's license application

A. For an initial for-hire driver's license and annually thereafter, a for-hire driver, or a taxicab association, for-hire vehicle licensee or company, or transportation network company on behalf of the for-hire driver, must complete, sign, swear to and file with the Director a for-hire driver's license application on forms provided by the Director. Application materials may be submitted online or through email. For-hire driver's licenses approved through applications received online or through email must be picked up directly from the licensing agency, whereupon the licensee applicant must show proof of photo identification. When issued to an applicant affiliated with a TNC, the for-hire license shall read "for-hire permit" on the associated license, but shall remain subject to all for-hire driver licensee duties and obligations in this Chapter. The application shall 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))~~ 21 years prior to the date of application, height, weight, color of hair and eyes;

3. Washington State driver's license number. Providing the social security number is optional. The applicant must present his/her Washington State driver's license or a copy thereof at time of application;

4. Proof that the applicant is authorized to work in the United States;

5. ~~((The applicant's criminal history for the last five (5) years;))~~ Consent to a criminal background check through Washington State Patrol and Federal Bureau of Investigation criminal databases conducted by the Director, or have a copy of a criminal background check provided directly from a Director-approved third party vendor ;

6. Information indicating whether or not the applicant has ever had a for-hire or driver's license suspended, revoked, or denied and for what cause;

7. A copy of the applicant's driving abstract from the Washington State Department of Licensing or ~~((A))~~ a signed statement authorizing the Director to obtain a current copy of the applicant's driving ~~((record))~~ abstract from the Washington State Department of Licensing;

8. Statement of applicant listing all reportable accidents and all moving violations the applicant was involved in during the previous three ~~((3))~~ years; ~~((and))~~

9. Completion of a driver education course and associated tests. The driver training program shall include:

a. Completion of the National Safety Council's Defensive Driving Course; and

b. Completion of at least one additional driving training program approved by the Director.

10. On forms provided by the Director, the applicant will provide a statement under penalty of perjury of their physical and mental fitness to act as a for-hire driver.

11. All applications for for-hire driver's licenses become void if the applicant, for any reason other than delay caused by the City, fails or neglects to complete the application process or obtain a license within 60 days of submitting an application.

12. ~~((9))~~ Such other information as may be reasonably required by regulation promulgated under this chapter.

~~((B. The following additional information must be filed prior to sitting for the written examination:~~

~~1. If the applicant will drive a taxicab, a certification signed under penalty of perjury by a taxi association representative certifying that the applicant has ridden with a trainer designated by the association in a taxicab for at least three (3) full shifts including at least one (1) night shift and successfully completed a four-day training program provided by the taxicab association, in which the applicant has:~~

~~a. Received classroom instruction in the region's geography, important structures and sites of interest;~~

~~b. Received instruction in the proper use of the radio, taximeter, and computer (if applicable) and how to complete a trip sheet and safety checklist; and~~

~~c. Received at least one (1) hour of instruction on risk factors for crimes against for-hire drivers, emergency procedures, and equipment installed in taxicabs for the driver's personal safety.~~

~~2. Proof of successful completion of a certified training program per Section 6.310.415 approved by the Director.~~

~~C. A physician's certification signed not more than three (3) months prior to the date of initial application that complies with Section 6.310.410 and certifies the applicant's fitness as a for-hire driver must be filed prior to issuance of the for-hire driver's license.~~

~~D. All applications for for-hire driver's licenses become void if the applicant, for any reason other than delay caused by the City, fails or neglects to complete the application process or obtain a license within sixty (60) days of submitting an application.~~)

Section 29. Section 6.310.405 of the Seattle Municipal Code, last amended by Ordinance 118341, is amended as follows:

6.310.405 Criminal ~~((B))~~ background ~~((C))~~ c heck

~~((All applicants for a for-hire driver's license must consent to be fingerprinted for a criminal background check.))~~

A. All applicants for a for-hire driver's license, taxicab license, or for-hire vehicle license must consent to a criminal background check. An applicant shall either:

1. Be fingerprinted for a state and national Washington State Patrol and Federal Bureau of Investigation criminal background check by the Director pursuant to RCW 35.21.920 to regulate the issuance of licenses of those engaged in taxicab, for-hire, and TNC occupations and activities. The applicants' criminal history record information shall be forwarded to the licensing agency. or

2. Have a copy of a criminal background check provided directly from a Director-approved third party vendor. The director will annually issue the list of approved third party background check vendors. Approved vendors, at a minimum must:

a. Include local, state, and national databases;

b. Access at least five years of database history; and

c. Demonstrate competency in providing accurate information.

Section 30. Section 6.310.410 of the Seattle Municipal Code, last amended by Ordinance 118341 is amended as follows:

6.310.410 For-hire driver (~~(--physician's)~~) certification of fitness to drive(~~(--)~~)

A. (~~(A medical examination and certification shall be required upon--)~~) The for-hire driver must certify upon initial application, and every (~~(three (3) years--)~~) year thereafter, on the anniversary date of the license; on forms provided (~~(--however,--)~~) by the Director that they are physically and mentally fit to be a for-hire driver.

B. The Director may at any time require any for-hire licensee or applicant to be (~~(reexamined)~~) medically examined if it appears that the licensee is or has become physically or mentally unfit to be a for-hire driver.

(~~(B--The--)~~) 1. If so required, the medical certification and examination shall be performed by a physician licensed to practice in Washington State under Chapter 18.71 RCW and completed following that physician's physical examination of the applicant.

(~~(C--)~~) 2. The scope of the certificate form and the examination shall be prescribed by the Director by rule.

(~~(D--)~~) 3. A (~~(Washington State--)~~) United States Department of Transportation medical certification meets the requirements of this section 6.310.410(~~(--as long as it was signed no more than three (3) months prior to the date of initial application, or in the case of the three (3) year renewal certification no more than three (3) months prior to the date of renewal)~~).

Section 31. Section 6.310.415 of the Seattle Municipal Code, last amended by Ordinance 121738, is amended as follows:

6.310.415 For-hire driver training program(~~(--)~~)

A. (~~(All initial--)~~) Prior to submitting an application, all for-hire driver applicants must (~~(have successfully completed --, prior to taking the written examination, no earlier than six (6) months before submitting the application, a--)~~) complete a driver training program approved by the Director (~~(that provides information about the history and geography of the Seattle and Puget Sound area;)~~)

B. Driver training programs may be completed through the City of Seattle and/or jointly with King County or through Director-approved Transportation Network Company, Taxi Association, or other Third Party vendors.

C. Content and testing processes for all training programs must be submitted for approval by the Director on an annual basis. Driver training programs at a minimum must include:

1. Information about defensive driving, use of emergency procedures and equipment for the driver's personal safety, risk factors for crimes against for-hire drivers, enhancement of driver/passenger relations, and (~~(appearance and--)~~) professional conduct and communication skills. (~~(The oral examination may be taken prior to the training class to expedite the licensing process (denial of license); and))~~)

2. Completion of the National Safety Council Defensive Driving Course.

(~~(B--)~~) D. Currently- licensed for-hire drivers must meet the requirements of subsection A of this section 6.310.415 if:

1. A taxicab association or transportation network company with which the for-hire driver is affiliated requests that the for-hire driver receive a refresher course; or

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

~~((C. A for-hire driver must complete a separate training session and written test on for-hire driver personal safety within three (3) months from the date of issuance of the initial license. The Director shall set forth the requirements of the training program by rule (suspension).))~~

~~((D))~~ E. A for-hire driver who operates a wheelchair accessible taxicab must successfully complete a separate training program for the special needs of passengers in wheelchairs, including but not limited to, loading and tie-down procedures and door-to-door service as prescribed in rule by the Director (Class C).

Section 32. Section 6.310.420 of the Seattle Municipal Code, last amended by Ordinance 121738, is amended as follows:

6.310.420 For-hire driver ~~((written and oral))~~ examination~~((--))~~

A. ~~((The Director shall prescribe the content of the examination, which--))~~ For-hire driver examinations may be administered by the City of Seattle and/or jointly with King County or by an approved taxi association, transportation network company, or third party vendor.

B. Examination procedures and content must be approved by the Director and must test the applicant's:

1. Knowledge of taxicab, for-hire vehicle, transportation network company vehicle endorsement and for-hire driver requirements contained in applicable codes and regulations;
2. Ability to speak and understand oral and written English sufficient for fulfilling the minimum acceptable standards for a taxicab, for-hire vehicle and/or for-hire driver;
3. Knowledge of vehicle safety requirements;
4. Knowledge of the geography of Seattle, King County and surrounding areas, and knowledge of local public and tourist destinations and attractions; and
5. Knowledge of risk factors for crimes against for-hire drivers, emergency procedures, and taxicab equipment for driver's personal safety.

~~((B. After submitting an application for an initial for-hire license, the applicant must pass a written and oral examination administered by The City of Seattle and/or jointly with King County.--))~~

C. An applicant who fails the ~~((written and/or oral examination, including the initial and periodic for-hire driver written safety test--))~~ City/County examination is entitled to one ~~((1))~~ free opportunity to retake the examination. A second failure will result in a ~~((sixty-day))~~ 60-day wait for another opportunity to take the examination, and another license application fee. All later examination tries will require the ~~((sixty-day))~~ 60-day wait, and repayment of the ~~((license))~~ application fee.

D. ~~((The written and oral))~~ An examination is not required for the renewal of a for-hire driver's license unless the applicant's license has remained expired for more than one ~~((1))~~ year. ~~((If the license has remained expired for more than one (1) year, and the applicant can provide documentation that he/she had previously passed the oral examination, only the written examination will be required.--))~~

Section 33. Section 6.310.425, which was last amended by Ordinance 121738, is amended as follows:

6.310.425 For-hire driver temporary permit~~((\_))~~

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