



**Legislative Department
Office of City Clerk
Memorandum**

Date: March 21, 2014
To: Peter Holmes, City Attorney
From: Emilia M. Sanchez, Deputy City Clerk *EMS*
Subject: Notification of Proposed Initiative 111 Submittal

Please find attached Clerk File No. 313675, which contains proposed Initiative Measure No. 111, a proposed Ordinance concerning transportation network service providers.

The proposed initiative was filed with the Office of the City Clerk on Friday, March 21, 2014, at 11:46 a.m. The proposed initiative is being transmitted to you for preparation of a ballot title pursuant to Article IV, Section 1B of the City Charter and Seattle Municipal Code, Section 2.08. Elizabeth Campbell personally filed the proposed initiative measure and provided the following contact information: Elizabeth Campbell, 4027 21st Avenue West Suite 205, Seattle, Washington 98199; Phone number 206-769-8459; Email address eacampbell@democracyworkshop.com.

Thank you for your attention to this matter. If I may assist in any way, please contact Monica Martinez Simmons at ext. 48361 or me at ext. 3-3863.

Attachment (CF 313675)

cc: Mayor Murray
City Councilmembers
Wayne Barnett, Executive Director Seattle Ethics and Elections Commission

INITIATIVE ___ YES! RIDESHARE SEATTLE

"WARNING: "Ordinance 94289 provides as follows: "Section 1. It is unlawful for any person: 1. To sign or decline to sign any petition for a City initiative, referendum, or Charter amendment, in exchange for any consideration or gratuity or promise thereof; or 2. To give or offer any consideration or gratuity to anyone to induce him or her to sign or not to sign a petition for a City initiative, referendum, or Charter amendment; or 3. To interfere with or attempt to interfere with the right of any voter to sign or not to sign a petition for a City initiative, referendum, or Charter amendment petition by threat, intimidation or any other corrupt means or practice; or 4. To sign a petition for a City initiative, referendum, or Charter amendment with any other than his or her true name, or to knowingly sign more than one (1) petition for the same initiative, referendum or Charter amendment measure, or to sign any such petition knowing that he or she is not a registered voter of The City of Seattle." The provisions of this ordinance shall be printed as a warning on every petition for a City initiative, referendum, or Charter amendment. "Section 2. Any person violating any of the provisions of this ordinance shall upon conviction thereof be punishable by a fine of not more than Five Hundred Dollars (\$500) or by imprisonment in the City Jail for a period not to exceed six (6) months, or by both such fine and imprisonment."

INITIATIVE PETITION FOR SUBMISSION TO THE SEATTLE CITY COUNCIL. To the City Council of The City of Seattle: We, the undersigned registered voters of The City of Seattle, State of Washington, propose and ask for the enactment as an ordinance of the measure known as Initiative Measure No. entitled:

[ballot title of the measure]

a full, true and correct copy of which is included herein, and we petition the Council to enact said measure as an ordinance; and, if not enacted within forty-five (45) days from the time of receipt thereof by the City Council, then to be submitted to the qualified electors of The City of Seattle for approval or rejection at the next regular election or at a special election in accordance with Article IV, Section 1 of the City Charter; and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of The City of Seattle, State of Washington, and my residence address is correctly stated.

(* Only Registered Seattle Voters Can Sign This Petition *)

Petitioner's Signature	Petitioner's Printed Name	Residence Address Street and Number (if any)	Date Signed
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CITY OF SEATTLE
2014 MAR 21 AM 11:47
CITY CLERK

COMPLETE TEXT OF INITIATIVE NO. _____

SECTION 1. THE PEOPLE OF SEATTLE MAKE THE FOLLOWING LEGISLATIVE FINDINGS OF FACT AND DECLARATIONS:

The people find and declare that transportation network service providers that utilize online application dispatch services that provide prearranged transportation services to city residents and businesses, tourists, out-of-state transportation people, and visitors of every kind are a vital part of the transportation system within the city of Seattle. Consequently, the safety, reliability, and stability of these transportation services are matters of citywide importance.

The people also find and declare that a balance between safety and innovation is important. It must first include a regulatory structure that provides a safety net that the public can rely on for their protection, and then a social and business dimension that ensures that businesses can innovate and use technology to better the lives of people everywhere.

The people also find and declare that The City of Seattle should tend to limit their intervention in matters of business to those related to safety and consumer protection, as opposed to engaging in policy and regulation generation that is intended to help one industry or business while not treating all others the same.

SECTION 2. SECTION 6.310.100 OF THE SEATTLE MUNICIPAL CODE 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. While active on a TNC dispatch system, TNC drivers are for-hire drivers operating for-hire vehicles. The ordinance codified in this chapter is an exercise of The City of Seattle's power to license for-hire vehicles, taxicabs, for-hire drivers taxicab associations, and transportation network companies, and to issue TNC vehicle endorsements, and for regulations and revenue. Some of its regulatory purposes herein are to ensure that the law and The City of Seattle's oversight reflects the current state of the industry, that these regulations are just and fair for all passenger carriers, that they increase the safety and reliability, cost-effectiveness, and the economic viability and stability of privately-operated for-hire vehicle and taxicab services within The City of Seattle, and to ensure that the public is adequately protected by the insurance coverage(s) that are obtained and maintained by the transportation network companies and the for-hire drivers. This chapter is not intended to regulate limousines and is consistent and compliant with RCW Chapter 46.72A.

B. The Director may issue a moratorium suspending the issuance of TNC vehicle endorsements or TNC licenses upon finding that the continued issuance of TNC vehicle endorsements or TNC licenses threatens public safety or raises substantial consumer protection concerns. In making such a finding the Director shall may consider, ~~but is not limited to considering:~~ consumer complaints, accident reports, and crime reports, ~~the stability of the market for taxi and for-hire transportation services, consumer demand for transportation services, and the financial viability of transportation service providers.~~ Where the issuance of TNC vehicle endorsements or TNC licenses has been suspended pursuant to this subsection, the suspension shall last no more than ~~180~~ 90 days. At least 30 days in advance of issuing a moratorium, the Director shall notify in writing the Council and all transportation network companies licensed by The City of Seattle in writing of the intent to do so and the reason for doing so.

C. Within 60 days of the effective date of this ordinance, and within every 60 days thereafter through June 30, 2016, the Director shall report to the chair of the Taxi, For-hire, and Limousine Regulations Committee of the Seattle City Council on about the ~~response, behavior and experience~~ safety and reliability of the different ~~segments~~ sectors of the for-hire market since the promulgation of these regulations, and about the response and experiences that the TNC and for-hire drivers have had in securing and maintaining the insurance coverages required by this Chapter.

D. ~~If upon review of the market for for-hire transportation, the Director finds that it is in the public interest that the cap on the number of TNC-endorsed vehicles that may be concurrently active on a TNC system should be adjusted or removed, the Director will submit the findings to the Council in writing and seek legislative authority to change or remove the cap.~~

SECTION 3. SECTION 6.310.110 OF THE SEATTLE MUNICIPAL CODE 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 dispatch system showing that the driver is available to pick up passengers; when a passenger is in the vehicle; when TNC dispatch records show the vehicle is dispatched; or when the driver has accepted a dispatch and is enroute to provide transportation services to a passenger.

"Trade dress" means ~~the~~ a 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. Trade dresses are not mandatory and must be ~~approved by~~ registered with the Director.

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

1. File applications, rates and charges on behalf of the TNC;
2. Receive and accept all correspondence, and notices and/or legal process from the City pertaining to the TNC, or to affiliated drivers operating within the TNC; and

SECTION 4. SECTION 6.310.130 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.130 Licenses required.

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 or utilize 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, using rates consistent with SMC 6.310.530; or
3. The person or entity uses the application dispatch system to dispatch or coordinate passenger transportation using any of the following types of vehicles categories:
 - a. School buses operating exclusively under a contract to a school district;
 - b. Ride-sharing vehicles under Chapter 46.74 RCW;
 - c. Vehicles used by nonprofit transportation providers solely for elderly or handicapped persons and their attendants under Chapter 81.66 RCW;
 - d. Vehicles used by auto transportation companies licensed under Chapter 81.68 RCW;
 - e. Vehicles used to provide courtesy transportation at no charge to and from parking lots, hotels, and rental offices; and
 - f. 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.

SECTION 5. SECTION 6.310.150 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.150 Fees.

E. Transportation network company:

Annual fee ~~...\$50,000~~ \$500 for the first year; ~~for the second year and thereafter, either 35% of annual gross revenue or \$50,000, whichever is greater.~~

SECTION 6. SECTION 6.310.260 OF THE SEATTLE MUNICIPAL CODE IS AMENDED 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 and notarized 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.

2. The license application shall include the following information:

a. The applicant transportation network company's name, business street address and post office box or mail box service 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 association will operate (e.g. Corporation, partnership, cooperative association, or other form);

i. If the applicant transportation network company is individually owned, the name, business address (or home address if no business address), telephone number, social security 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, home and business addresses, telephone numbers, social security numbers, and date of birth of all officers, directors, general and managing partners, registered agents, and of all other persons vested with authority to manage or direct the affairs of the legal entity 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 uniform business identifier license number (if any), 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. The for-hire driver license number with TNC vehicle endorsement (if applicable), vehicle make, model, and year, vehicle VIN and license plate number, and the name of each transportation network company driver affiliated with the transportation network company;

g. Evidence Each TNC shall file their insurance policies under seal with the Director, providing evidence that each vehicle affiliated with a transportation network company has insured 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 Director may require a statement on Department of Licensing letterhead verifying that the policy meets state requirements. In addition, the Director shall review the insurance policy to determine that it adequately protects the public. The insurance policy or insurance binder must be submitted to the Director and shall:

i. Be issued by an admitted carrier in the State of Washington with an A.M. Best Rating of not less than ~~A-~~ B+ and be not less than A.M. Best's Financial Size Category VII; 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 the 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 self-insured retention, nonstandard deductibles, aggregate limits, territorial restrictions, named driver requirements, or exclusions, or any other provisions that limit insurance coverage.

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

i. Certificate of 19-point inspection for each vehicle affiliated with the transportation network company as required in Section 6.310.270(XW).

j. Dispatch records identifying the average and minimum and maximum number of drivers and number of dispatches on the TNC dispatch system per day for the six months prior to the date of application. TNCs that were not operating in Seattle prior to the effective date of this ordinance do not need to provide these records. Under the City's authority to regulate the safety, and reliability, cost-effectiveness, and economic viability and stability of privately-operated for-hire vehicle and taxicab services within The City of Seattle, this information shall only be used by the Director for purposes that are consistent with Section 6.310.100 of this Chapter of determining eligibility and to assist in drafting the pilot program assessment report for review by Council.

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

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

B. All applications submitted to the Director must be accompanied by the license fee 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 the renewal fee has been paid and all outstanding penalties assessed against the transportation network company and its affiliated drivers have been paid to the Director. The Director shall not renew the transportation network company license if ~~unless the Director determines that the transportation network company's continued operation is in the public interest~~ company has not met the license application requirements set forth in Section 6.310.260 and has not complied with the operating responsibilities as detailed in Section 6.310.270. All denials of renewal applications must be set forth in writing, together with the reasons for denial. 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.

SECTION 7. SECTION 6.310.265 TO SEATTLE MUNICIPAL CODE IS AMENDED 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 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, or to anyone or entity other than those meeting the requirements of Section 6.310.130(E)(1 thru 3);

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

43. The applicant leases, permits, or otherwise allows others to use its application dispatch system for drivers of vehicles that do not meet the requirements of Section 6.310.130(E)(1 thru 3);

54. The applicant affiliates with and provides application dispatch services to drivers without a for-hire vehicle driver's license for drivers of vehicles that do not meet the requirements of Section 6.310.130(E)(1 thru 3);

65. 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.

76. The application has a material misstatement or omission;

87. The application is incomplete; and/or

98. Within three years of the date of application, the applicant, or any owner, officer, director, managing partner, general partner or principal of the applicant, has had a bail forfeiture, conviction or other final adverse finding for crimes of physical violence, 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 officer, director, managing partner, general partner, registered agent or principal of the TNC:

1. Within five years of the date of application, has had a bail forfeiture, conviction or other final adverse finding involving crimes directly related to the applicant's ability to operate a TNC, including but not limited to prostitution, physical violence, gambling, fraud, larceny, extortion, income tax evasion; and/or

2. Has exhibited past conduct, as evidenced by a criminal conviction, bail forfeiture or other final adverse finding (including in a civil suit or administrative proceeding) 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 8. SECTION 6.310.270 TO SEATTLE MUNICIPAL CODE IS AMENDED 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 in The City of Seattle that:

1. Is open and personally staffed all business days between 9 a.m. and 5 p.m. (Class A);

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

3. Has a local street and general delivery (post office or mail box service 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 driver applications to the TNC, 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 all driver training records, driver training manuals and/or videos, or any related materials, all documents, agreements, or statements signed or agreed to by a driver, any records maintained by the TNC related to a driver's association with the TNC, including but not limited to, a driver's performance of their duties, their operation of their vehicle, their conduct in furtherance of their job, vehicle insurance policies, vehicle registrations, and passenger complaint records.~~ Records may be maintained electronically. (Class A --- each requirement);

5. Provides secure storage for all items left in a TNC driver's vehicle by patrons and turned in by TNC drivers to a location centrally located within the city limits of Seattle, and that is open Monday through Saturday, during hours which are generally convenient for the working public. (Class A);

~~B. Ensure that only 150 TNC endorsed drivers may be active on the TNC dispatch system at any given time. The data and records required to ensure compliance shall be prescribed by rules adopted by the Director; (revocation and Class C)~~

B. Ensure that each TNC driver's vehicle is insured as required in Sections 6.310.260 and 6.310.452. (revocation and Class C);

C. Establish a driver training program to ensure that all drivers are safely operating the vehicle prior to the driver being able to offer service. This program must be filed with the Director within 45 days of the adoption of this initiative. TNCs must report to the Director on an annual basis the number of drivers that became eligible and completed the course.

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

E-F. Ensure that TNC endorsed drivers driving a TNC endorsed vehicle do not pick up hail, cruise or otherwise solicit trips. (revocation and Class C);

F-G. Ensure that TNC drivers driving a TNC endorsed vehicle do not take trips not dispatched by the TNC. (revocation and Class C);

G-H. Require 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, and that passengers are also informed whether the vehicle has been maintained as a smoke-free vehicle before the trip is initiated. (Class B);

H-I. 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 those ratings are not against passengers or potential passengers on the basis of geographic endpoints of the ride, race, color, national origin, sex, disability, age, or sexual orientation/identity, or religious belief or affiliation. (Class B);

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

J-K. Maintain insurance as required by Section 6.310.260, (Class C and revocation) 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);

K-L. 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);

L-M. All violation notices issued by the Director to a TNC driver shall be mailed and emailed to both the driver and TNC, and the TNC shall maintain a record of the violations for at least two years (Class B); M-N. Weekly, collect, verify accuracy and completeness, and store for at least two years TNC application dispatch records, including the hours each TNC driver is active on the TNC dispatch system, as prescribed by the Director (Class A);

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

1. Service Information Reports. Submit quarterly, in a form approved by the Director, the monthly total of paid trips, paid miles, trip revenue, and daily operating hours for each TNC driver and vehicle (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 of the TNC driver, identification of the vehicle, collision fault, injuries, and estimated damage, and a copy of any state, county, city, town, or other political subdivision vehicle collision report related to the collision (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 TNC drivers (Class A);

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

5. Passenger complaints. Submit quarterly, in a form approved by the Director, a report which contains information on complaints received directly from passengers to any employee of or person representing the TNC in any capacity, and from the passenger complaint hotline as compiled from the log required pursuant to subsection 6.310.270.0 regarding:

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

b. Vehicle condition sorted by interior or exterior appearance, cleanliness, orderliness, mechanical and/or safety; and

c. Lack of driver knowledge of route or requested destination; or failure to initially deliver the passenger to the dispatched address (Class A).

Ø-P. Maintain a log of, and forward to the Director upon request and on January 1, 2015 and biannually on June 1 and January 1 thereafter, each oral or written passenger complaint that the TNC receives about a vehicle, the TNC, or TNC driver. The TNC must include a notice of the action taken by the TNC to resolve the complaint and the disposition (Class A);

P-Q. 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);

Q-R. Notify the Director within five working days of any change in the affiliation status of a TNC driver or vehicle, including any TNC driver joining the TNC, and any suspension, termination, nonrenewal or revocation of a TNC driver's access to the TNC dispatch application, for-hire license or TNC vehicle endorsement. (Class A);

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

S-T. Permit the Director to carry out inspections without notice of all TNC driver and vehicle records required to be kept under this Chapter 6.310, (Class B);

T-U. 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, mobile application, and passenger trip confirmations of its zero-tolerance drug and alcohol policy and the methods available to report a driver the passenger reasonably suspects was under the influence of drugs or alcohol during the trip;

2. The website and mobile application must include a local and toll-free telephone 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 Seattle Consumer Affairs department, (Class B);

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

2. On January 1, 2015 and biannually on June 1 and January 1 thereafter, each TNC shall submit to the Director a report detailing any incidents or instances of geographic endpoints of the ride, their race, color, national origin, sex, age, religion or religious affiliation, or sexual orientation/identity disabilities. This report shall be made public by the Director. This report shall be used by the Director to determine what, if any, regulations need to be amended or adopted to ensure that TNCs are accessible to, and do not discriminate against persons because of the geographic endpoints of the ride, their race, color, national origin, sex, age, religion or religious affiliation, or sexual orientation/identity disabilities. (Class B).

V-W. Regularly Rreview criminal background checks on every TNC driver and maintain records thereof, including of the review itself. Drivers convicted of any traffic and/or criminal offense directly bearing on the

driver's fitness to provide for-hire services 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)

W-X. Regularly Rreview driving records of TNC drivers and maintain records thereof including of the review itself. Drivers with convictions 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)

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

1. Foot brakes (check stopping: at 20 mph, a vehicle must be capable of stopping within 25 feet);

2. Emergency brakes (engine stall test);

3. Steering mechanism;

4. Windshield (no chips or cracks larger than one inch, no leaks);

5. Rear window and other glass (no chips or cracks larger than one inch, no leaks);

6. Windshield wipers;

7. Headlights;

8. Tail lights;

9. Turn indicator lights;

10. Stop lights;

11. Front seat adjustment mechanism;

12. Doors (open, close, lock);

13. Horn;

14. Speedometer;

15. Bumpers;

16. Muffler and exhaust system;

17. Condition of tires, including tread depth;

18. Interior and exterior rear view mirrors; and

19. Safety belts and air bags for driver and passenger(s).

20. All side windows (readily operable – open/close, no chips or cracks larger than one inch, no leaks);

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

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

Z- AA. 1. Determine whether a TNC driver, who has been the victim of a crime of assault or robbery, has reported the crime to the appropriate law authorities and to 911. If not, the TNC shall call 911 and report the crime immediately (Class B).

2. On January 1, 2015 and biannually on June 1 and January 1 thereafter, each TNC shall submit to the Director a report detailing a description of any instances crime or criminal activity associated with a TNC driver or with a TNC passenger. This report shall be made public by the Director. This report shall be used by the Director to determine what, if any, regulations need to be amended or adopted to ensure that TNCs operate in a safe and crime free manner, and most importantly that TNC drivers and passengers are safe and not affected by criminal acts or behavior (Class B).

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

BBCC. To the extent that the TNC's insurance coverage is insufficient to satisfy the requirements of SMC 6.310.260.A.2.g, the TNC itself shall assume liability, including the costs of defense and indemnification for a TNC driver's claim(s) in an amount up to the minimum insurance coverage requirements per RCW 46.72.050 and minimum underinsured motorist coverage of \$100,000 per person and \$300,000 per accident. (Class B and 14 day suspension.)

CCDD. 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.g, 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 and SMC 6.310.260.BB." This disclosure ~~is to~~ be signed by the driver and an officer of the TNC certifying that they have read, signed, and received a copy of the insurance disclosure. A copy of the signed disclosure statement shall be retained by the TNC in accordance with Section 6.310.270(4). No additional language in the disclosure will contradict or in any way diminish the force of the required language. (Class B.)

DDDE. Provide the Director with any other information that is consistent with the purposes of Section 6.310.100 and that is required by regulations adopted pursuant to this chapter (failure to provide required information shall result in suspension of TNC company license).

SECTION 8. SECTION 6.310.305 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.305 Taxicab and for-hire vehicle owners—Investigation.

All applicants for a taxicab or for-hire vehicle license shall be referred for fingerprinting, and all applications shall be referred to the Seattle Police Department for a background check, for a state and national Washington State Patrol and Federal Bureau of Investigation criminal background check under RCW 35.21.920 to regulate the issuance of licenses of those engaged in the taxicab and for-hire occupations and activities. Information relating to the applicants' criminal history shall be forwarded to the licensing agency.

SECTION 9. SECTION 6.310.325 OF THE SEATTLE MUNICIPAL CODE IS AMENDED 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 geographic boundaries of 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 19-point vehicle inspection as required by subsection 6.310.270.V; except for for-hire vehicles and taxicabs licensed under this chapter; and

F. The vehicle model year can be no more than seven years prior to the license date.

SECTION 10. SECTION 6.310.327 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

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

A. Within 45 days of the passage date of this ~~ordinance initiative~~, any person who wishes to affiliate ~~with and operate for~~ a TNC ~~and use their using~~ a personal vehicle shall submit an application for a TNC vehicle endorsement, and shall obtain a TNC vehicle endorsement within ~~90~~ 60 days of submitting the applications; provided that a person with a for-hire driver's license who has any ownership interest in a licensed for-hire vehicle or taxicab is not eligible to obtain a TNC vehicle endorsement. Failure to obtain a TNC vehicle endorsement within this timeframe, for any reason other than delay caused by the City, prohibits any person from lawfully operating as a driver for a TNC with a personal vehicle. Driving without a TNC vehicle endorsement is unlawful per Section 6.310.130, subject to penalties pursuant to Section 6.310.600.

D. 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, and the applicant may voluntarily indicate their race;

3. Washington State driver's license number. Providing the social security number is not optional. The applicant must present his/her current Washington State driver's license at the time of application;

4. Washington State Department of Licensing uniform business identifier number if applicable.

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

56. Evidence of personal and commercial vehicle insurance as required by Section 6.310.452; (denial of endorsement)

67. Evidence of for-hire driver's license; (denial of endorsement)

78. Proof that applicant's vehicle has passed the vehicle inspection as required by subsection 6.310.270.X (denial of endorsement); and

89. Proof that applicant's vehicle model year is no more than seven years prior to the license date. (denial of endorsement)

10. A copy of the applicant's vehicle's registration

911. Such other information as may be reasonably required by regulation promulgated under this chapter.

1012. The above application and information must also be completed and supplied during any annual license renewal.

Failure to meet any of these requirements within this timeframe, for any reason other than delay caused by the City, 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.

F. The TNC vehicle endorsement is inseparable from the for-hire driver's license and the lease, transfer or assignment of the vehicle endorsement is prohibited.

SECTION 11. SECTION 6.310.328 OF THE SEATTLE MUNICIPAL CODE IS AMENDED 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:

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, physical violence, 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, physical violence, gambling, fraud, larceny, extortion, income tax evasion;

2. Within ~~two~~ three 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;

SECTION 12. SECTION 6.310.405 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.405 Criminal Background Check.

All applicants for a for-hire vehicle license shall be referred for fingerprinting, and all applications shall be referred to the Seattle Police Department for a background check, for a state and national Washington State Patrol and Federal Bureau of Investigation criminal background check under RCW 35.21.920 to regulate the issuance of licenses of those engaged in the taxicab and for-hire occupations and activities. Information relating to the applicants' criminal history shall be forwarded to the licensing agency.

SECTION 13. SECTION 6.310.450 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.450 For-hire driver operating standards.

I. A for-hire driver shall immediately notify as applicable the taxicab association or TNC and the Seattle Police Department when the for-hire driver has been the victim of a crime (Class A).

L. A non-TNC for-hire driver shall accept credit cards for payment of fare when requested by passengers (Class A).

SECTION 14. SECTION 6.310.452 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.452 TNC driver operating, conduct, and passenger relations standards. In addition to meeting the for-hire operating standards set forth in Section 6.310.450, the TNC drivers must meet the following operating, conduct, and passenger relations standards:

E. TNC drivers shall maintain a personal auto insurance policy provided, that if the insurance policy lapses or is canceled, or a vehicle is deleted from the policy, proof of a new policy including the vehicle must be promptly filed with the TNC and with the Director before the vehicle is canceled or deleted from the previous policy (summary suspension);

J. TNC drivers shall have in their ~~the driver's~~ possession a valid Washington State driver's license, a valid for-hire driver's license, and documentation that they are affiliated with a licensed TNC at any time the TNC driver is active on the TNC dispatch system. (suspension and Class B);

SECTION 15. SECTION 6.310.455 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.455 For-hire driver conduct standards.

A. A for-hire driver shall not drink any alcoholic beverage or smoke, inhale, or otherwise ingest marijuana or marijuana infused product(s) of any kind while on duty or less than eight (8) hours prior to going on duty, and shall not possess an open or unsealed container of any alcoholic beverage or any open or unsealed container of marijuana or marijuana infused product(s) of any kind while in the for-hire vehicle or taxicab (suspension and Class B);

B. A for-hire driver shall, at the end of each trip, check the vehicle for any article(s) that are left behind by passenger(s). Such articles found in taxicabs or the for-hire vehicle are to be reported as found property to the taxicab association or TNC, and such property is to be returned to the taxicab association or TNC representative at the end of the shift or sooner if possible (Class A);

U. A for-hire driver shall not tamper with, disable, remove, or willfully damage the digital security camera equipment required under this chapter to be in a taxicab (Class C);

V. A for-hire driver shall not alter, edit, destroy, 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); and.

W. A for-hire driver must notify the Director within three (3) working days of receiving, while operating a taxicab or a for-hire vehicle, a traffic infraction for a violation of SMC Section 11.50.140 based on evidence detected through the use of an automated traffic safety camera (Class B).

X. A for-hire driver shall not smoke in the for-hire vehicle while providing transportation to passengers (Class A);

Y. A for-hire driver shall not use a third party to solicit trips (Class C and revocation).

SECTION 16. SECTION 6.310.610 OF THE SEATTLE MUNICIPAL CODE IS AMENDED AS FOLLOWS:

6.310.610 Suspension or revocation

C. Revocation standards

3. Transportation network companies (TNC)

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

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

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

iii. ~~The TNC allows more than 150 TNC endorsed drivers to be active on the TNC dispatch system at any given time;~~

iviii. An affiliated vehicle is active on the TNC dispatch system that has not been inspected by an approved third party as required by 6.310.270;

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

vi.v. An affiliated driver is active on the TNC dispatch system without personal and commercial vehicle insurance;

vii.vi. Fails to pay all penalties imposed by the Department that are either not contested or are upheld after review; or

viii.vii. The TNC has committed one Class C violations in any one year period.

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

vii. Fails to regularly review driving and insurance records of TNC drivers and maintain records thereof including of each review itself;

6. Transportation network company (TNC) drivers

b. The Director may revoke the for-hire license of a transportation network company driver if:

i. The TNC driver is found to be in possession of illegal drugs, or an open container of alcohol, an open container of marijuana or of a marijuana infused product of any kind while in control of or while operating any taxicab or for-hire vehicle; or

SECTION 17. In order to provide appropriate regulatory oversight over these new methods for providing transportation services, the City Council will need data to ascertain whether the new transportation business model is having a positive, negative, or non-effect on public safety.

The Department of Finance and Administrative Services shall issue a report to the City Council regarding the transportation network company pilot program by no later than September 30, 2015. The report shall include an assessment of taxi and TNC industries' trips and revenue, the percentage of taxi industry trips that are dispatched on any platform, the response times for any companies in the dispatch market, the locations of rejected rides by any companies in the dispatch market, the incidence of any significant

financial burdens of or benefits to drivers across the different platforms, any available data about driver experiences and driver migrations across platforms, collisions, driver violations, rates, and customer satisfaction rates and complaints, .

One year after the approval date of this initiative the Director will convene a workshop to hear from all stakeholders on the impacts of transportation network companies and the accompanying regulations. Workshop topics will include, but not necessarily be limited to, impacts on safety, competition, innovation, accessibility, congestion, pollution, and an update and assessment of how well the regulations related to transportation network companies and for-hire driver insurance coverage have performed.

SECTION 6. EXCEPTIONS.

The requirements of this ordinance shall not apply where and to the extent that state or federal law or regulations preclude their applicability. To the extent that state or federal law or regulations require the consent of another legal entity, such as a municipality, port district, or county, prior to becoming effective, the City Mayor and City Council is directed to formally and publicly request that such consent be given.

SECTION 7. CONFORMITY WITH SEATTLE MUNICIPAL CODE. The City Clerk or other City of Seattle official charged with code revision is authorized to change the numbering and formatting of this Ordinance in order that it conforms with the Seattle Municipal Code's codification and numbering scheme, all in a manner that is consistent with the intent and language of this Ordinance.

SECTION 8. EFFECTIVE DATE.

The effective date of this Initiative shall be November 25, 2014.

SECTION 9. CONSTRUCTION CLAUSE.

The provisions of this ordinance are to be liberally construed to effectuate the intent, policies, and purposes of this ordinance.

SECTION 10. SEVERABILITY. If any provision of this Ordinance is declared illegal, invalid or inoperative, in whole or in part, or as applied to an employer covered by this Chapter, and/or in any particular circumstance, by the final decision of any court of competent jurisdiction, then all portions and applications of this Ordinance not declared illegal, invalid or inoperative, shall remain in full force or effect to the maximum extent permissible under law.

SECTION 11.

The City Attorney is directed to fully defend against any challenge to this ordinance and/or to its application to any person, property or circumstance.

SECTION 12. MISCELLANEOUS.

This Ordinance may be known and cited as the "Transportation Innovation Ordinance".

SECTION 13. EMERGENCY.

This ordinance is necessary for the immediate preservation of the public peace, health, or safety, or support of the City government and its existing public institutions, and takes effect on November 25, 2014.

**PLEASE RETURN THIS SIGNED PETITION AS SOON AS POSSIBLE
TO THE INITIATIVE SPONSOR**

Initiative Sponsor Information:

YES! RIDESHARE SEATTLE

VOTE YES I-111

RIDE
SHARE

SMPLE
SEATTLE

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