



Memorandum

DATE: September 19, 2014

TO: Council
Debbie Tarry, City Manager

FROM: Scott MacColl, Intergovernmental Relations Manager

RE: King County For Hire/Transportation Network Company Legislation

CC: John Norris, Assistant City Manager
Julie Ainsworth-Taylor, Assistant City Manager

This memo is to update Council on legislation recently adopted by the King County Council to regulate companies providing ride-sharing services based on GPS driven smartphone applications (Uber, Lyft, Sidecar, etc.) to offer for-hire services. The legislation is largely modeled after the legislation passed by the City of Seattle in July 2014.

These regulations apply to unincorporated King County; however, as Shoreline has adopted the King County code by reference (Shoreline Municipal Code Chapter 5.07), the changes will automatically apply unless the City takes action otherwise. There are currently sixteen cities in King County that have adopted the King County code to regulate for-hire transportation, effectively creating a regional system of regulation. King County's regulations have very closely mirrored Seattle's regulations, and they currently share the for-hire licensing function pursuant to an interlocal agreement.

The King County Council adopted new for-hire/Transportation Network Company (TNCs) legislation on Monday, September 15th. While the base legislation takes effect immediately, key components of the driver and vehicle licensing process in King County do not take effect until November 2014. The County's TNC legislation brings TNCs into the regulatory framework of requiring anyone driving a TNC vehicle be a licensed for-hire driver, driving a TNC endorsed vehicle. The legislation includes, among others, the following provisions:

- Revises insurance requirements;
- Converts the taxi and for-hire license into a 'medallion' or property right;

- Maintains annual fees for taxi's and licensed for-hire vehicles (e.g. limousines) while imposing a per-trip licensing fee of \$0.35 on TNC's (to be paid quarterly);
- Sets a 10 cent surcharge on each ride (regardless of whether taxi or TNC) to fund wheelchair-accessible taxis;
- Includes TNCs in quarterly reporting of trip volumes, accidents, passenger complaints, etc.; and
- Establishes parity between TNCs and incumbents (taxi's, limousines), streamlines regulations by offering operators the choice of going through the City/County process for driver background checks, training and testing or through an approved third-party vendor.

The County Council also approved a cap on licensed for-hire vehicles, including TNC's, (the number of licensed vehicles issued for applicants received before the effective date of the ordinance, provided the application process is complete within 60 days).