



TO: Elizabeth Pauli, City Manager
FROM: Danielle Larson, Tax & License Manager, Finance
 Andy Cherullo, Finance Director
COPY: City Council and City Clerk
SUBJECT: Ordinance – Title 6 Amendments – For-Hire Regulations
DATE: October 18, 2022

SUMMARY AND PURPOSE:

An ordinance amending Title 6, Chapter 6B.220 of the Municipal Code, relating to the City’s For-Hire License Regulations. Washington State Legislature passed Engrossed Substitute House Bill 2076 that pertains to the rights and obligations of transportation network companies (TNC) and TNC drivers, preempting local governments from regulating TNC’s and TNC drivers. City TNC license requirements must be repealed. Additional amendments are proposed to City taxi regulations bringing local taxi license requirements more equitable to state TNC license requirements.

BACKGROUND:

This Department’s Recommendation is Based On:

The City has regulated the taxi/for-hire industry to provide for safe operation of for-hire transportation services since 1942. In 2014, the taxi regulations were updated to include TNC’s and their drivers operating in Tacoma.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The local taxi companies and taxi drivers were notified in August and September of the proposed amendments to the taxi license requirements. There was very little feedback received back. One person expressed concern that the City is lowering the standards for taxis to much with the age of the vehicle being extended to 15 years from 10.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

The taxi industry has faced a significant decline in business due to the ease and simplicity of riding in TNC’s. The proposed changes will help support a healthy taxi industry, by bringing local taxi regulations in line with state TNC regulations to encourage fairer competition for drivers and companies providing transportation services.

Livability: Equity Index Score: High Opportunity

Increase positive public perception of safety and overall quality of life.

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ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Do not amend to align all or some of the taxi regulations with state TNC regulations	Not aligning the requirement to collect a trip fee would allow the City to continue	Would create a different regulatory structure for taxi’s and TNC’s operating in



	receiving revenue from the fee collected by taxi companies	Tacoma, potentially creating an unfair advantage for TNC's
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EVALUATION AND FOLLOW UP:

Staff will review the changes and their impacts to the local taxi industry through discussion and feedback from the taxi industry and passengers if concerns are expressed.

STAFF/SPONSOR RECOMMENDATION:

The city is required to remove license requirements from Chapter 6B.220 for TNC's and TNC drivers with an effective date of June 9, 2022. Staff recommends the proposed amendments to the taxi license requirements to bring city taxi regulations equitable to state TNC regulations for companies and drivers operating in Tacoma.

FISCAL IMPACT:

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 0010 – General Fund – Finance	620400	4322330	95,000
2. 0010 – General Fund – Finance	106500	4321000	25,000
TOTAL			120,000

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City's FTE/personnel counts?

NO

ATTACHMENTS:

List attachments using bullet points.