



TO: Elizabeth Pauli, City Manager
FROM: Andy Cherullo, Finance Department
COPY: Government Performance Finance Committee
PRESENTER: Danielle Larson, Tax & License, Finance Department
SUBJECT: Title 6 – Chapter 6B.220 - For-Hire Regulations
DATE: October 4, 2022

PRESENTATION TYPE:

Request for Ordinance

SUMMARY:

During the 2022 legislative session, the 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 City TNC license requirements must be repealed in Tacoma Municipal Code (TMC) Chapter 6B.220 – For-Hire Regulations. Additionally, staff is proposing amendments to the taxi regulations so that local taxi license requirements are equitable to state TNC license requirements for all for-hire companies and drivers operating in Tacoma.

BACKGROUND:

The City has regulated the taxi/for-hire industry to provide for safe operation of for-hire vehicles since 1942. In 2014, the taxi regulations were updated to include TNC's operating in Tacoma.

ISSUE:

Engrossed Substitute House Bill 2076 that pertains to the rights and obligations of transportation network companies (TNC) and TNC drivers preempts local governments from regulating TNC's and TNC drivers effective June 9, 2022. All TNC regulations in TMC Chapter 6B.220 must be repealed.

To ensure the local taxi industry is not inequitably impacted by TNC's operating in Tacoma under different license regulations, the following amendments to Chapter 6B.220 are proposed:

- Remove the requirement for taxi companies to collect the Accessible Service trip fee of \$.10
- Increase the maximum age of a for-hire vehicle from ten to fifteen years
- Reduce the look back period for convictions or violations when denying a license from ten years to seven years
- Reduce the minimum age requirement for a for-hire driver's license from twenty-one to twenty years of age
- Remove requirement for drivers to pass an exam prior to being issued a license
- Add nondiscrimination language with respect to passengers or potential passengers, including the transportation of service animals

Additional amendments include clean-up to bring code language consistent with current application of the licensing requirements and to clarify sections of the code that can be confusing.

ALTERNATIVES:

The City is required to remove the regulations for TNC's and TNC drivers. The alternative to the proposed amendments to taxi regulations is to leave the taxi regulation in their current state or a



version of the current state, which would leave in inequities between persons driving taxi's and TNC's in Tacoma.

FISCAL IMPACT:

ESHB 2076 preempts the collection of the Accessible Services trip fee from TNC's picking up in Tacoma, which is approximately 95% of the revenue collected. The fiscal impact to the Accessible Services fund is \$95,000 in annual revenues. In addition, the TNC's pay approximately \$25,000 annually for the TNC regulatory license.

RECOMMENDATION:

The city is required to remove licensing 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.