

# HOUSE BILL REPORT

## ESHB 1775

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**As Passed House:**  
February 18, 2010

**Title:** An act relating to the regulation of certain limousine carriers.

**Brief Description:** Regulating certain limousine carriers.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives White, Carlyle, Nelson, Upthegrove and Simpson).

**Brief History:**

**Committee Activity:**

Transportation: 2/11/09, 2/27/09 [DP]; 1/27/10, 2/1/10 [DPS].

**Floor Activity:**

Passed House: 2/18/10, 62-32.

### Brief Summary of Engrossed Substitute Bill

- Allows all cities with a population of 500,000 or more to enter into cooperative agreements to regulate limousines in a manner consistent with state law, including the transfer of fee revenue to offset city enforcement costs.
- Clarifies the types of documents that suffice to prove that a trip has been prearranged and creates civil infractions associated with the failure to retain or provide these documents.
- Allows cities with a population of 500,000 or more to conduct both annual and random limousine vehicle inspections, and creates civil infractions associated with failure to meet these standards in any jurisdiction.
- Creates civil infractions for operating a limousine without a limousine carrier license and a limousine vehicle certificate.
- Requires the suspension of a limousine vehicle certificate if the required insurance is not maintained on the vehicle while it is licensed with the Department of Licensing (DOL), and creates a civil infraction for each day a carrier operates a limousine with a suspended certificate.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- Modifies the provisions related to advertising limousine services to provide for a fine, rather than a gross misdemeanor charge, if a business violates the restrictions on limousine advertising.
- Creates civil infractions for soliciting customers for limousine service, or paying others to solicit customers for a limousine service, or accepting payment to solicit or assign customers on behalf of a chauffeur.
- Adds requirements regarding drug testing and a satisfactory driving record in order to qualify as a limousine chauffeur.
- Adds a failed drug test to the items for which the DOL may impose sanctions for unprofessional conduct.
- Limits the fee for limousine vehicle certificates to \$75, and the fee for a limousine carrier license to \$350 in 2011 and \$450 thereafter.
- Requires the DOL to convene an internal work group regarding the issuance of a chauffeur license, with a report to the transportation committees of the Legislature due by November 15, 2010.

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Clibborn, Chair; Liias, Vice Chair; Roach, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Armstrong, Campbell, Driscoll, Eddy, Finn, Flannigan, Herrera, Johnson, Klippert, Kristiansen, Moeller, Nealey, Rolfes, Sells, Springer, Takko, Upthegrove, Williams and Wood.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Ericksen, Morris and Shea.

**Staff:** David Munnecke (786-7315).

### **Background:**

Cities, counties, and port districts may regulate taxicab companies operating within their jurisdictions, and may control entry, rate, route, licensing, and safety. Both King County and Seattle have chosen to regulate taxicabs and have developed guidelines to enforce licensing, rates, routes, driver qualifications, safety, and vehicle inspection provisions.

In 1996 the regulation of limousines was transferred from the Utilities and Transportation Commission (UTC) to the Department of Licensing (DOL). The DOL regulates entry, equipment, chauffeur qualifications, and operations. In addition, the Port of Seattle regulates limousines with regard to entry, chauffeur qualifications, operations, and equipment at SeaTac International Airport.

A limousine is a for-hire, chauffeur-driven, unmetered, unmarked luxury motor vehicle that meets one of the following definitions:

- "stretch limousine" is an automobile whose wheelbase has been altered, has a seating capacity of no more than 12 passengers, and is equipped with amenities;
- "executive sedan" is a four-door sedan with a minimum wheelbase of 114.5 inches, a seating capacity of no more than three passengers behind the driver, and standard factory amenities;
- "executive van" is a van, minivan, or minibus with a seating capacity of seven to 14 passengers behind the driver;
- "classic car" is a fine and distinctive automobile that is 30 years old or older;
- "executive sport utility vehicle" means an automobile with a seating capacity of not less than three passengers and not more than six passengers behind the driver, and a minimum wheelbase of 116 inches that has not been altered, which does not fall into one of the other categories; or
- "stretch sport utility vehicle" is an automobile whose wheelbase has been altered, has a seating capacity of no more than 14 passengers, and is equipped with amenities, which does not fall into one of the other categories.

A limousine carrier must have an office; a vehicle cannot solely be used as an office. Arrangements for service are prearranged through the carrier's office and dispatched to the limousine. Customers cannot make arrangements with the driver for immediate rental of a limousine, even if the driver is the owner. A limousine carrier must certify that each chauffeur: (1) is 21 years of age, (2) holds a valid Washington driver's license, (3) has successfully completed a training course and written exam approved by the DOL, (4) has passed a background check performed by the Washington State Patrol, and (5) submits a medical certificate upon initial application and every three years thereafter validating the driver's fitness.

Limousine carriers must list their unified business identifier when advertising and specify the type of service offered. A limousine carrier cannot advertise as a taxicab company. Unlawful operation of a limousine without a certificate is a misdemeanor on first offense and a gross misdemeanor thereafter. Violation of the insurance provisions related to limousines and false advertising are gross misdemeanors.

Cities, counties, and port districts may regulate for-hire vehicles within their respective jurisdictions with regard to entry, rates, routes, safety, and licensing.

### **Summary of Engrossed Substitute Bill:**

The types of documents that suffice to prove that a trip has been prearranged are clarified and a civil infraction associated with the failure to retain or provide these documents is created. A civil infraction is also created for operating a limousine without the required limousine carrier license and limousine vehicle certificates.

The suspension of a limousine vehicle certificate is mandated if the required insurance is not maintained on the vehicle while it is licensed with the DOL, and a civil infraction is created for each day a carrier operates a limousine with a suspended certificate.

The prohibitions related to advertising limousine services are modified to provide for a fine, rather than a gross misdemeanor charge, if a business violates the prohibitions on limousine advertising. A civil infraction is created for soliciting customers for limousine service, paying others to solicit customers for a limousine service, or accepting payments to solicit or assign customers on behalf of a chauffeur.

A satisfactory driving record and participation in a random drug testing program are added to the requirements to qualify as a limousine chauffeur. A failed drug test is included in the list of items for which the DOL may impose sanctions for unprofessional conduct.

Any fee related to limousine vehicle certificates is limited to \$75, and any fee related to a limousine carrier license is limited to \$350 in 2011 and \$450 thereafter.

All cities with a population of 500,000 or more are allowed to enter into cooperative agreements to regulate limousines in a manner consistent with state law, which may include provisions for the transfer of fee revenue to offset city enforcement costs. Cities with a population of 500,000 or more are also allowed to conduct both annual and random limousine vehicle inspections. Civil infractions associated with failure to meet these vehicle equipment and safety standards are also created, and can be enforced in any jurisdiction.

The DOL is required to convene an internal work group regarding the issuance of a chauffeur license, with a report to the transportation committees of the Legislature containing the DOL's recommendation due by November 15, 2010.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on January 1, 2011, except for section 13, relating to the internal work group, which takes effect 90 days after adjournment of session in which bill is passed..

**Staff Summary of Public Testimony:**

(In support) This bill did not pass last year due to a lack of time. Over the interim, the DOL worked with the City of Seattle (City or Seattle) and limousine drivers to create the current version, which substantially addresses the concerns with the previous bill with the exception of the fees to be charged.

This bill is about public safety. If someone is paying for a trip, they expect to get to their destination safely. This bill is not about most drivers, but instead about a few bad apples. This bill is needed to protect the good reputation of most drivers by dealing with these few bad apples.

The original bill provided the authority to regulate only within the City. The issue behind this bill is enforcement. The DOL cannot handle enforcement in downtown Seattle due to both the volume of violations and the time consuming process for dealing with these violations under the administrative hearing process, which can take up to a year.

This bill is not about preventing competition, but is instead about promoting safety. If people can buy a limousine license for \$50, then why would they want to pay \$900 to be a taxicab operator. Taxicabs are identified by the colors that they're painted, and people then know that the taxicab is subject to 60 pages of regulations, including background checks, which are effectively enforced by the City. One of these regulations prevents a taxicab driver from being more than 20 feet from the cab. This allows limousine operators to solicit people as they exist buildings - before they get to the taxicabs. If a taxicab driver were to try this, the City would issue them a ticket. Limousine operators don't want to operate legally, and without enforcement they'll continue to operate illegally.

You need to be a taxicab in order to pick people up off the streets, and enforcement of this law is a matter of fairness. The public is served by the cab industry, which is required to take fares regardless of the length of the trip or any other issue. During the 2008 snowstorm, taxis continued to take people to the airport for the required fare, while limousines charged people far more.

(Opposed) Yellow Cab is trying to eliminate the competition. Limousine operators would have great difficulty in meeting the requirements of this bill because of the inability to print out all the required documents and obtain the required training. It's unfair for the Port of Seattle to regulate limousines since they have an interest in the success of the taxicabs thanks to the Port's contract with Yellow Cab.

This bill is unnecessary because only a few people would need to be punished before the bad apples will go away, and competition is allowed to continue. The limousine drivers want to isolate the bad apples, but using a different approach, such as by contacting hotels and having the managers crack down on bellhops who direct people to limousines. The current bill has the potential to take 300 towncars off the road, thus hurting the drivers and their families.

Among the problems with this bill is that the limousine drivers don't know what they will have to pay in order to see the law enforced. Also, the bill would allow a limousine to be stopped at any time, which would clearly discourage passengers. A written test could also be a challenge, and needs to be done fairly. Overall, this bill goes beyond what needs to be done to solve the problem, and everyone needs to be involved in order to get a good bill.

The DOL is not fulfilling its obligations to regulate the limousine industry. The limousine drivers would like to work with the DOL on this issue because it is impartial, but the drivers cannot work with the City. The City discriminates in that it targets only certain carriers.

**Persons Testifying:** (In support) Representative White, prime sponsor; Denise Movius, City of Seattle; Steve Salins, Puget Sound Limousine Association and Shuttle Express; Chris Van Dyke, BYG Taxi Cooperative Association and Puget Sound Dispatch; Cindy Laws; Deb Duggan; Jeff Spence, BYG Taxi Cooperative Association; Gurminder Kahlon, Seattle Taxi Owners Association; Gurchavan Dhaliwac and Avtarsingh Sorhey, Farwest Taxi; Dave Magnuson, James Calvert, Joe Blondo, Abdirahman Elmi, Yoseph Teklemariam, and Jack Christy, Yellow Cab; Alemu Daba, Stita Taxi; and Mohmud Fariah, Wessen Darge, and Mandit Singh, Orange Cab.

(Opposed) Aram Matevosov; Yusuf Cabdi, United African Public Affairs Committee; Mohamed Abegaz, Seattle Limousine and Town Car Association; Mohammed Al-ansi, ACE Transportation; Alexander Samuel, Seattle Limousine and Town Car Association; Oliver Wernbe; Elmi Sabrite; and Mohamed Sheikh.

**Persons Signed In To Testify But Not Testifying:** (In support) Abdo Tuffa; Baljinder Singh and Maghe Sinh, Farwest Taxi; Yusuf Warsame; and Amandeep Singh, Darshan Singh, Slicha Singh, and Jaskirtksnu Slucko, Orange Cab.