
ENGROSSED SUBSTITUTE SENATE BILL 5620

State of Washington

65th Legislature

2017 Regular Session

By Senate Transportation (originally sponsored by Senators King, Hobbs, Fain, Mullet, and Palumbo)

READ FIRST TIME 02/23/17.

1 AN ACT Relating to transportation network companies; amending RCW
2 48.177.010, 51.12.020, 46.72.010, 46.74.020, 50.04.100, 81.68.015,
3 and 19.182.040; reenacting and amending RCW 42.56.270 and 43.79A.040;
4 adding a new section to chapter 50.04 RCW; adding a new chapter to
5 Title 46 RCW; recodifying RCW 48.177.010; repealing RCW 48.177.005;
6 and prescribing penalties.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** The purpose of this chapter is to: Provide
9 statewide uniform regulation for transportation network companies
10 within the state of Washington, encourage technological innovation,
11 and preserve and enhance access to important transportation options
12 for residents and visitors to Washington state.

13 NEW SECTION. **Sec. 2.** The definitions in this section apply
14 throughout this chapter unless the context clearly requires
15 otherwise.

16 (1) "Digital network" means any online-enabled technology
17 application service, web site, or system offered or utilized by a
18 transportation network company that enables the prearrangement of
19 rides with transportation network company drivers.

1 (2) "Local law enforcement officer" means, for purposes of
2 enforcement, any person authorized by a municipality or county, as
3 applicable, to carry out enforcement activities under this chapter.

4 (3) "Municipality" means a city, town, or code city with a
5 certificate of incorporation, or township created by an act of the
6 state.

7 (4) "Prearranged ride" means the provision of transportation or a
8 trip by a transportation network company driver to a transportation
9 network company rider, beginning when a transportation network
10 company driver accepts a ride requested by a transportation network
11 company rider through a digital network controlled by a
12 transportation network company, continuing while the transportation
13 network company driver transports the transportation network company
14 rider, and ending when the last transportation network company rider
15 departs from the transportation network company vehicle. "Prearranged
16 ride" does not include: (a) Transportation provided by a taxi,
17 limousine, motor carrier as defined in RCW 81.80.010, or other for
18 hire vehicle or pursuant to chapter 46.72, 46.73, or 81.72 RCW; (b) a
19 shared expense carpool or vanpool arrangement or service as defined
20 as ride sharing in RCW 46.74.010; (c) transportation provided by an
21 auto transportation company as defined in RCW 81.68.010; or (d)
22 transportation provided by metropolitan public transportation as
23 defined in RCW 35.58.020.

24 (5) "Transportation network company" means a corporation,
25 partnership, sole proprietorship, or other entity that is licensed
26 under this chapter and operating in Washington state and uses a
27 digital network to connect transportation network company riders to
28 transportation network company drivers who provide prearranged rides.
29 A transportation network company is not deemed to control, direct, or
30 manage the transportation network company vehicles or transportation
31 network company drivers that connect to its digital network, except
32 when agreed to by written contract. "Transportation network company"
33 does not include a for hire transportation service, taxicab
34 transportation service provided under chapter 46.72 or 81.72 RCW, an
35 auto transportation company as defined in RCW 81.68.010, or
36 metropolitan public transportation as defined in RCW 35.58.020.

37 (6) "Transportation network company driver" means an individual
38 who:

1 (a) Receives connections to potential transportation network
2 company riders and related services from a transportation network
3 company; and

4 (b) Uses a transportation network company vehicle to offer or
5 provide a prearranged ride to transportation network company riders
6 upon connection through a digital network controlled by a
7 transportation network company in exchange for compensation or
8 payment of a fee.

9 (7) "Transportation network company rider" means an individual or
10 persons who use a transportation network company's digital network to
11 connect with a transportation network company driver who provides
12 prearranged rides to the rider in the transportation network company
13 driver's transportation network company vehicle between points chosen
14 by the rider.

15 (8) "Transportation network company services" means services
16 provided by a transportation network company driver at any time that
17 a transportation network company driver is logged in to a
18 transportation network company's digital network or providing a
19 prearranged ride. "Transportation network company services" does not
20 include services provided either directly or under contract with a
21 political subdivision or other entity exempt from federal income tax
22 under 26 U.S.C. Sec. 115 of the federal internal revenue code.

23 (9) "Transportation network company vehicle" means a vehicle
24 that:

25 (a) Is used by a transportation network company driver to provide
26 a prearranged ride;

27 (b) Is owned, leased, or otherwise authorized for use by the
28 transportation network company driver;

29 (c) Is not a taxicab, limousine, commuter ride-sharing vehicle,
30 for hire vehicle, auto transportation company vehicle, or
31 metropolitan public transportation vehicle for purposes of chapter
32 35.58, 46.72, 46.72A, 46.73, 46.74, 46.76, 81.68, or 81.72 RCW; and

33 (d) Has a seating capacity of fewer than eight persons, excluding
34 the driver.

35 NEW SECTION. **Sec. 3.** A transportation network company or
36 transportation network company driver is not a common carrier, motor
37 carrier, or any other carrier as defined in RCW 81.80.010, and does
38 not provide commuter ride sharing, taxicab, for hire vehicle
39 services, auto transportation company services, or metropolitan

1 public transportation services pursuant to chapter 35.58, 46.72,
2 46.73, 81.68, or 81.72 RCW. A transportation network company driver
3 is not required to register a transportation network company vehicle
4 used to provide prearranged rides as a commercial vehicle or for hire
5 vehicle.

6 NEW SECTION. **Sec. 4.** (1) A person must first obtain a permit
7 from the department to operate a transportation network company in
8 Washington state, except that any transportation network company
9 operating in the state before the effective date of this section may
10 continue operating until the department creates a permit process and
11 sets a registration deadline.

12 (2) The department must annually issue a permit to each applicant
13 that meets the requirements for a transportation network company as
14 set forth in this chapter and pays an annual permit fee of five
15 thousand dollars to the department.

16 (3) The department must deposit the permit fees collected under
17 this section into the transportation network company account created
18 in section 23 of this act.

19 NEW SECTION. **Sec. 5.** Any transportation network company
20 operating in Washington state must maintain an agent for service of
21 process in the state.

22 NEW SECTION. **Sec. 6.** (1) On behalf of a transportation network
23 company driver, a transportation network company may charge a fare
24 for transportation network company services provided to any
25 transportation network company rider, but must disclose to the rider
26 the fare or fare calculation method on its web site or within its
27 digital network. Before a rider enters a transportation network
28 company vehicle, the transportation network company must provide, on
29 behalf of the transportation network company driver, either the fare
30 for the prearranged ride or the option to receive an estimated fare
31 for the prearranged ride.

32 (2) During a state of emergency, as declared by the governor or
33 the president of the United States, a transportation network company
34 may not charge a fare for transportation network company services
35 provided to any transportation network company rider that exceeds two
36 and one-half times the base fare.

1 NEW SECTION. **Sec. 7.** A transportation network company's digital
2 network or web site must display a photograph of the transportation
3 network company driver and the license plate number of the
4 transportation network company vehicle before the transportation
5 network company rider enters the vehicle.

6 NEW SECTION. **Sec. 8.** Within one week following the completion
7 of a trip, a transportation network company must transmit an
8 electronic receipt to the transportation network company rider on
9 behalf of the transportation network company driver that lists:

- 10 (1) The origin and destination of the trip;
- 11 (2) The total time and distance of the trip; and
- 12 (3) An itemization of the total fare paid, if any.

13 NEW SECTION. **Sec. 9.** A transportation network company driver is
14 an independent contractor and not an employee of the transportation
15 network company if all of the following conditions are met:

- 16 (1) The transportation network company does not unilaterally
17 prescribe specific hours during which a transportation network
18 company driver must be logged in to the transportation network
19 company's digital network;
- 20 (2) The transportation network company imposes no restrictions on
21 the transportation network company driver's ability to utilize a
22 digital network from any other transportation network company;
- 23 (3) The transportation network company does not restrict a
24 transportation network company driver from engaging in any other
25 occupation or business; and
- 26 (4) The transportation network company and transportation network
27 company driver agree in writing that the transportation network
28 company driver is an independent contractor with respect to the
29 transportation network company.

30 NEW SECTION. **Sec. 10.** (1) A transportation network company must
31 implement a zero tolerance policy regarding a transportation network
32 company driver's activities while accessing the transportation
33 network company's digital network. The zero tolerance policy must
34 address the use of drugs or alcohol while a transportation network
35 company driver is providing prearranged rides or is logged in to the
36 transportation network company's digital network but is not providing
37 prearranged rides.

1 (2) A transportation network company must provide notice of this
2 policy on its web site, as well as procedures to report a complaint
3 about a transportation network company driver with whom a
4 transportation network company rider was matched and whom the rider
5 reasonably suspects was under the influence of drugs or alcohol
6 during the course of the trip.

7 (3) Upon receipt of a complaint alleging a violation of the zero
8 tolerance policy, the transportation network company must suspend the
9 transportation network company driver's ability to accept trip
10 requests through the transportation network company's digital network
11 as soon as possible and conduct an investigation into the reported
12 incident. The suspension must last the duration of the investigation.
13 If the transportation network company determines that the
14 transportation network company driver violated the zero tolerance
15 policy, the transportation network company must take appropriate
16 action against the driver, including, at a minimum, suspending the
17 driver from the transportation network company's digital network
18 until the transportation network company determines that the driver
19 is compliant with the zero tolerance policy.

20 (4) A transportation network company must maintain records
21 relevant to the enforcement of the policy under this section for a
22 period of at least two years from the date that a transportation
23 network company rider complaint is received by the transportation
24 network company.

25 NEW SECTION. **Sec. 11.** (1) Before allowing an individual to
26 accept trip requests as a transportation network company driver
27 through a transportation network company's digital network:

28 (a) The individual must submit an application to the
29 transportation network company, which includes information regarding
30 his or her name, address, phone, age, driver's license number, motor
31 vehicle registration, automobile liability insurance, and other
32 information required by the transportation network company;

33 (b) The transportation network company, or a designated third
34 party on behalf of the transportation network company, that is either
35 nationally accredited or approved by the director, must conduct an
36 annual local and national criminal background check for the applicant
37 to include a review of:

1 (i) A multistate/multijurisdiction criminal records locator or
2 other similar commercial nationwide database with validation (primary
3 source search); and

4 (ii) The United States department of justice national sex
5 offender public web site; and

6 (c) The transportation network company, or designated third
7 party, must obtain and review a driving history research report for
8 the individual.

9 (2) A transportation network company must not permit an
10 individual to act as a transportation network company driver on its
11 digital network who:

12 (a) Has had more than three moving violations in the prior three-
13 year period, or one of the following major violations in the prior
14 three-year period:

15 (i) Attempting to elude the police pursuant to RCW 46.61.024;

16 (ii) Reckless driving pursuant to RCW 46.61.500; or

17 (iii) Driving on a suspended or revoked driver's license pursuant
18 to RCW 46.20.342 or 46.20.345;

19 (b) Has been convicted, within the past seven years, of:

20 (i) Any class A or B felony, as defined in Title 9A RCW;

21 (ii) Any violent offense as defined in RCW 9.94A.030, or serious
22 violent offense defined in RCW 9.94A.030;

23 (iii) Any most serious offense as defined in RCW 9.94A.030; or

24 (iv) Driving under the influence, hit and run, or any other
25 driving-related crime pursuant to RCW 46.61.500 through 46.61.540;

26 (c) Has been convicted of any sex offense as defined in RCW
27 9.94A.030 or is a match in the United States department of justice
28 national sex offender public web site;

29 (d) Does not possess a valid driver's license;

30 (e) Does not possess proof of automobile liability insurance for
31 the motor vehicle or vehicles used to provide prearranged rides;

32 (f) Is not at least twenty years of age; or

33 (g) Has not self-certified that he or she is physically and
34 mentally fit to be a transportation network company driver.

35 (3) Subsection (2)(a) and (b) of this section apply to any
36 conviction of any offense committed in another jurisdiction that
37 includes all of the elements of any of the offenses described or
38 defined in subsection (2)(a) and (b) of this section.

39 (4) A driver providing transportation network company services
40 who is not in compliance with subsection (1)(b), (2), or (3) of this

1 section commits a civil infraction subject to a monetary penalty of
2 fifty dollars. A state or local law enforcement officer may issue a
3 citation for any such violation. If such a driver is cited for a
4 violation under this subsection, every transportation network company
5 that permits such a driver to access the transportation network
6 company's digital network to provide transportation network company
7 services is subject to a fine of five hundred dollars.

8 NEW SECTION. **Sec. 12.** (1) A transportation network company must
9 require that any motor vehicle that a transportation network company
10 driver will use to provide prearranged rides:

11 (a) Is not more than twelve years old as determined by the model
12 year of the vehicle;

13 (b) Meets the emissions requirements for motor vehicles; and

14 (c) Has received a safety inspection by a third party in the last
15 year that includes the following components:

16 (i) Foot brakes;

17 (ii) Parking brakes;

18 (iii) Steering mechanism;

19 (iv) Windshield;

20 (v) Rear window and other glass;

21 (vi) Windshield wipers;

22 (vii) All exterior lights, including headlights, taillights,
23 brake lights, turn indicator lights, and hazard lights;

24 (viii) Interior dome light;

25 (ix) Heating and cooling;

26 (x) Front seat adjustment mechanism;

27 (xi) Doors (open, close, lock);

28 (xii) Horn;

29 (xiii) Instrument panel and gauges;

30 (xiv) Bumpers;

31 (xv) Muffler and exhaust system;

32 (xvi) Condition of tires, including tread depth;

33 (xvii) Interior and exterior mirrors; and

34 (xiii) Safety belts for driver and passenger(s).

35 (2) All transportation network company vehicles must display
36 trade dress that is visible to the rider when outside the vehicle
37 when providing transportation network company services.

38 (3) A transportation network company must inform a transportation
39 network company driver of the driver's responsibility to comply with

1 all applicable safety recalls issued by a vehicle manufacturer or the
2 national highway traffic safety administration for each motor vehicle
3 the driver will use to provide prearranged rides.

4 (4)(a) A driver providing transportation network company services
5 who is not in compliance with subsection (1)(c) of this section
6 commits a civil infraction subject to a monetary penalty of fifty
7 dollars. A state or local law enforcement officer may issue a
8 citation for any such violation. If such a driver is cited for a
9 violation under this subsection, every transportation network company
10 that permits such a driver to access the transportation network
11 company's digital network to provide transportation network company
12 services is subject to a fine of five hundred dollars.

13 (b) A driver providing transportation network company services
14 who violates subsection (2) of this section commits a civil
15 infraction. A state or local law enforcement officer may issue a
16 citation for any such violation and may assess a monetary penalty of
17 one hundred dollars for a first offense, five hundred dollars for a
18 second offense, and one thousand dollars for a third or subsequent
19 offense.

20 NEW SECTION. **Sec. 13.** (1) A transportation network company
21 driver may not:

22 (a) Solicit or accept a trip request to provide transportation
23 network company services other than a trip request arranged through a
24 transportation network company's digital network;

25 (b) Provide transportation network company services for more than
26 fourteen consecutive hours in a twenty-four hour period; or

27 (c) Allow any other individual to use that driver's access to a
28 transportation network company's digital network.

29 (2)(a) A driver providing transportation network company services
30 who violates subsection (1)(a) of this section or the zero tolerance
31 policy commits a civil infraction. A state or local law enforcement
32 officer may issue a citation for any such violation and may assess a
33 monetary penalty of five hundred dollars for a first offense and one
34 thousand dollars for a second or subsequent offense.

35 (b) A driver providing transportation network company services
36 who violates subsection (1)(b) of this section commits a civil
37 infraction. A state or local law enforcement officer may issue a
38 citation for any such violation and may assess a monetary penalty of
39 one hundred dollars for a first offense, five hundred dollars for a

1 second offense, and one thousand dollars for a third or subsequent
2 offense.

3 (c) A driver providing transportation network company services
4 who violates subsection (1)(c) of this section or the zero tolerance
5 policy commits a civil infraction. A state or local law enforcement
6 officer may issue a citation for any such violation and may assess a
7 monetary penalty of five hundred dollars for a first offense, seven
8 hundred fifty dollars for a second offense, and one thousand dollars
9 for a third or subsequent offense.

10 NEW SECTION. **Sec. 14.** (1) A transportation network company must
11 adopt a policy of nondiscrimination on the basis of destination,
12 race, color, national origin, religious belief or affiliation, sex,
13 disability, age, sexual orientation, or gender identity with respect
14 to transportation network company riders and potential riders and
15 notify transportation network company drivers of such policy.

16 (2) A transportation network company driver must comply with all
17 applicable laws regarding nondiscrimination against transportation
18 network company riders or potential riders on the basis of race,
19 color, national origin, religious belief or affiliation, sex,
20 disability, age, sexual orientation, or gender identity.

21 (3) A transportation network company driver must comply with all
22 applicable laws relating to the transportation of service animals.

23 (4) A transportation network company may not impose additional
24 charges for providing services to persons with disabilities because
25 of those disabilities.

26 (5) A driver providing transportation network company services
27 who violates this section commits a civil infraction. A state or
28 local law enforcement officer may issue a citation for any such
29 violation and may assess a monetary penalty of five hundred dollars
30 for a first offense, seven hundred fifty dollars for a second
31 offense, and one thousand dollars for a third or subsequent offense.

32 NEW SECTION. **Sec. 15.** A transportation network company must
33 maintain the following records:

34 (1) Individual trip records for at least three years from the end
35 of the calendar year in which each trip was provided; and

36 (2) Individual records of transportation network company drivers
37 at least until the end of the calendar year marking the three-year
38 anniversary of the date on which a transportation network company

1 driver's relationship with the transportation network company has
2 ended.

3 NEW SECTION. **Sec. 16.** (1) For the sole purpose of verifying
4 that a transportation network company is in compliance with the
5 requirements of this chapter and no more than biannually, the
6 department, or the local authority for a city with a population of
7 more than five hundred thousand or a county with a population of more
8 than one million, may review a sample of records that the
9 transportation network company is required to maintain under this
10 chapter. The sample of records must be chosen randomly by the
11 department or local authority in a manner agreeable to both parties.
12 Any audit must take place at a mutually agreed location in the state
13 of Washington. Any record sample furnished to the department or local
14 authority may exclude information that would tend to identify
15 specific transportation network company drivers or riders.

16 (2) Any records inspected under this chapter are designated
17 confidential and are not subject to disclosure to a third party by
18 the department or local authority without prior written consent of
19 the transportation network company and the transportation network
20 company driver.

21 NEW SECTION. **Sec. 17.** (1)(a) Each prearranged ride provided by
22 a transportation network company driver to a transportation network
23 company rider while on the transportation network company's digital
24 network must be assessed a ten-cent per trip passenger surcharge fee
25 to cover the costs of enforcement and regulation of state
26 transportation network company licensing and to be distributed to
27 local political divisions of the state.

28 (b) The director may, by rule adopted under section 21 of this
29 act, review the per trip surcharge fee imposed under (a) of this
30 subsection not more frequently than annually, and increase the fee by
31 rule to cover costs related to the continuing administration and
32 enforcement of this chapter by the department, or by local
33 authorities as permitted under this chapter, provided that any
34 increase is limited to the extent such costs are not covered by the
35 fee.

36 (2) Using geographic information system data, a transportation
37 network company must determine whether each prearranged ride
38 originated within the incorporated boundaries of a municipality, or

1 outside of the incorporated boundaries of a municipality and within
2 the boundaries of a county of this state.

3 (3) Within thirty days of the end of each calendar quarter, a
4 transportation network company must submit to the department:

5 (a) The total amount of passenger surcharge fees collected by a
6 transportation network company on behalf of transportation network
7 company drivers; and

8 (b) For trips that originated in a municipality or unincorporated
9 county, a report listing the percentage of the yearly total amount of
10 passenger surcharge fees from trips that originated in each
11 municipality or unincorporated county during the reporting period.

12 (4) The department must retain such amount of the passenger
13 surcharge fee collected under subsection (3)(a) of this section as is
14 necessary to cover the expenses borne by the department derived from
15 the: (a) Regulation and registration of transportation network
16 companies; and (b) the collection, remittance, and distribution of
17 passenger surcharge fees under this section. The department must
18 deposit these funds in the transportation network company account
19 created in section 23 of this act.

20 (5) Within sixty days of the end of each calendar quarter, the
21 department must distribute the remaining portion of the total
22 passenger surcharge fees collected under subsection (3)(a) of this
23 section less the amount retained under subsection (4) of this section
24 to each municipality or county where a trip originated during the
25 reporting period. The distribution to each municipality or county
26 must be proportionate to the percentage of the yearly total amount of
27 surcharge fees that originated in each municipality or county. The
28 funds collected by each municipality or county under this subsection
29 must be used to fund enforcement activities by the municipalities and
30 counties relating to this chapter.

31 NEW SECTION. **Sec. 18.** (1) In addition to the surcharge fee
32 assessed under section 17 of this act, each prearranged ride provided
33 by a transportation network company driver to a transportation
34 network company rider that originates in a city with a population of
35 two hundred thousand or more or in a county with a population of one
36 million or more must be assessed a ten cent per trip surcharge fee to
37 offset costs associated with improving transportation options for
38 individuals with disabilities.

1 (2) The surcharge fee assessed under subsection (1) of this
2 section may be used to provide for, but is not limited to,
3 reimbursement for: Costs associated with converting or purchasing a
4 vehicle to be used as a taxicab or transportation network company
5 vehicle that is fully wheelchair accessible by ramp or lift; costs
6 for a transportation network company, taxicab company, or other for
7 hire vehicle company to provide wheelchair-accessible vehicle rides
8 to customers when the cost to provide the ride exceeds the cost
9 charged to the customer; or extra fuel and maintenance costs.

10 (3) The surcharge fee assessed under subsection (1) of this
11 section must be remitted directly to each applicable city and county
12 within thirty days of the end of each calendar quarter.

13 NEW SECTION. **Sec. 19.** (1) If the department determines, after
14 notice and a hearing, that a transportation network company is in
15 violation of this chapter or any rule adopted under this chapter, the
16 department must issue a monetary penalty or suspend or revoke a
17 transportation network company permit, or both, in accordance with
18 this chapter. In determining the amount of the monetary penalty, the
19 department must consider the size of the transportation network
20 company based on the number of intrastate trips provided by the
21 transportation network company in the previous calendar year, the
22 gravity of the violation, the degree to which the transportation
23 network company exercised good faith in attempting to achieve
24 compliance or to remedy noncompliance, and any previous violations by
25 the transportation network company cited by the department. Any
26 deceptive, manipulative, or coordinated practice used by a
27 transportation network company to evade authorities, including
28 through the use of a digital network or the system supporting the
29 digital network, is a violation of this chapter and results in a six-
30 month suspension of the transportation network company's permit to
31 operate in this state.

32 (2) The department must adopt rules to establish a process for
33 the administrative appeal of any penalty, suspension, or revocation
34 imposed by the department in accordance with this section.

35 NEW SECTION. **Sec. 20.** The uniform regulation of business and
36 professions act, chapter 18.235 RCW, governs unlicensed practice, the
37 issuance and denial of licenses, and the discipline of licensees
38 under this chapter.

1 NEW SECTION. **Sec. 21.** The director may adopt rules consistent
2 with and as necessary to carry out this chapter.

3 **Sec. 22.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s
4 1, and 2016 c 178 s 1 are each reenacted and amended to read as
5 follows:

6 The following financial, commercial, and proprietary information
7 is exempt from disclosure under this chapter:

8 (1) Valuable formulae, designs, drawings, computer source code or
9 object code, and research data obtained by any agency within five
10 years of the request for disclosure when disclosure would produce
11 private gain and public loss;

12 (2) Financial information supplied by or on behalf of a person,
13 firm, or corporation for the purpose of qualifying to submit a bid or
14 proposal for (a) a ferry system construction or repair contract as
15 required by RCW 47.60.680 through 47.60.750 or (b) highway
16 construction or improvement as required by RCW 47.28.070;

17 (3) Financial and commercial information and records supplied by
18 private persons pertaining to export services provided under chapters
19 43.163 and 53.31 RCW, and by persons pertaining to export projects
20 under RCW 43.23.035;

21 (4) Financial and commercial information and records supplied by
22 businesses or individuals during application for loans or program
23 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
24 43.168 RCW, or during application for economic development loans or
25 program services provided by any local agency;

26 (5) Financial information, business plans, examination reports,
27 and any information produced or obtained in evaluating or examining a
28 business and industrial development corporation organized or seeking
29 certification under chapter 31.24 RCW;

30 (6) Financial and commercial information supplied to the state
31 investment board by any person when the information relates to the
32 investment of public trust or retirement funds and when disclosure
33 would result in loss to such funds or in private loss to the
34 providers of this information;

35 (7) Financial and valuable trade information under RCW 51.36.120;

36 (8) Financial, commercial, operations, and technical and research
37 information and data submitted to or obtained by the clean Washington
38 center in applications for, or delivery of, program services under
39 chapter 70.95H RCW;

1 (9) Financial and commercial information requested by the public
2 stadium authority from any person or organization that leases or uses
3 the stadium and exhibition center as defined in RCW 36.102.010;

4 (10)(a) Financial information, including but not limited to
5 account numbers and values, and other identification numbers supplied
6 by or on behalf of a person, firm, corporation, limited liability
7 company, partnership, or other entity related to an application for a
8 horse racing license submitted pursuant to RCW 67.16.260(1)(b),
9 marijuana producer, processor, or retailer license, liquor license,
10 gambling license, or lottery retail license;

11 (b) Internal control documents, independent auditors' reports and
12 financial statements, and supporting documents: (i) Of house-banked
13 social card game licensees required by the gambling commission
14 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted
15 by tribes with an approved tribal/state compact for class III gaming;

16 (11) Proprietary data, trade secrets, or other information that
17 relates to: (a) A vendor's unique methods of conducting business; (b)
18 data unique to the product or services of the vendor; or (c)
19 determining prices or rates to be charged for services, submitted by
20 any vendor to the department of social and health services for
21 purposes of the development, acquisition, or implementation of state
22 purchased health care as defined in RCW 41.05.011;

23 (12)(a) When supplied to and in the records of the department of
24 commerce:

25 (i) Financial and proprietary information collected from any
26 person and provided to the department of commerce pursuant to RCW
27 43.330.050(8); and

28 (ii) Financial or proprietary information collected from any
29 person and provided to the department of commerce or the office of
30 the governor in connection with the siting, recruitment, expansion,
31 retention, or relocation of that person's business and until a siting
32 decision is made, identifying information of any person supplying
33 information under this subsection and the locations being considered
34 for siting, relocation, or expansion of a business;

35 (b) When developed by the department of commerce based on
36 information as described in (a)(i) of this subsection, any work
37 product is not exempt from disclosure;

38 (c) For the purposes of this subsection, "siting decision" means
39 the decision to acquire or not to acquire a site;

1 (d) If there is no written contact for a period of sixty days to
2 the department of commerce from a person connected with siting,
3 recruitment, expansion, retention, or relocation of that person's
4 business, information described in (a)(ii) of this subsection will be
5 available to the public under this chapter;

6 (13) Financial and proprietary information submitted to or
7 obtained by the department of ecology or the authority created under
8 chapter 70.95N RCW to implement chapter 70.95N RCW;

9 (14) Financial, commercial, operations, and technical and
10 research information and data submitted to or obtained by the life
11 sciences discovery fund authority in applications for, or delivery
12 of, grants under chapter 43.350 RCW, to the extent that such
13 information, if revealed, would reasonably be expected to result in
14 private loss to the providers of this information;

15 (15) Financial and commercial information provided as evidence to
16 the department of licensing as required by RCW 19.112.110 or
17 19.112.120, except information disclosed in aggregate form that does
18 not permit the identification of information related to individual
19 fuel licensees;

20 (16) Any production records, mineral assessments, and trade
21 secrets submitted by a permit holder, mine operator, or landowner to
22 the department of natural resources under RCW 78.44.085;

23 (17)(a) Farm plans developed by conservation districts, unless
24 permission to release the farm plan is granted by the landowner or
25 operator who requested the plan, or the farm plan is used for the
26 application or issuance of a permit;

27 (b) Farm plans developed under chapter 90.48 RCW and not under
28 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject
29 to RCW 42.56.610 and 90.64.190;

30 (18) Financial, commercial, operations, and technical and
31 research information and data submitted to or obtained by a health
32 sciences and services authority in applications for, or delivery of,
33 grants under RCW 35.104.010 through 35.104.060, to the extent that
34 such information, if revealed, would reasonably be expected to result
35 in private loss to providers of this information;

36 (19) Information gathered under chapter 19.85 RCW or RCW
37 34.05.328 that can be identified to a particular business;

38 (20) Financial and commercial information submitted to or
39 obtained by the University of Washington, other than information the
40 university is required to disclose under RCW 28B.20.150, when the

1 information relates to investments in private funds, to the extent
2 that such information, if revealed, would reasonably be expected to
3 result in loss to the University of Washington consolidated endowment
4 fund or to result in private loss to the providers of this
5 information;

6 (21) Market share data submitted by a manufacturer under RCW
7 70.95N.190(4);

8 (22) Financial information supplied to the department of
9 financial institutions or to a portal under RCW 21.20.883, when filed
10 by or on behalf of an issuer of securities for the purpose of
11 obtaining the exemption from state securities registration for small
12 securities offerings provided under RCW 21.20.880 or when filed by or
13 on behalf of an investor for the purpose of purchasing such
14 securities;

15 (23) Unaggregated or individual notices of a transfer of crude
16 oil that is financial, proprietary, or commercial information,
17 submitted to the department of ecology pursuant to RCW
18 90.56.565(1)(a), and that is in the possession of the department of
19 ecology or any entity with which the department of ecology has shared
20 the notice pursuant to RCW 90.56.565;

21 (24) Financial institution and retirement account information,
22 and building security plan information, supplied to the liquor and
23 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
24 69.50.345, when filed by or on behalf of a licensee or prospective
25 licensee for the purpose of obtaining, maintaining, or renewing a
26 license to produce, process, transport, or sell marijuana as allowed
27 under chapter 69.50 RCW; (~~and~~))

28 (25) Marijuana transport information, vehicle and driver
29 identification data, and account numbers or unique access identifiers
30 issued to private entities for traceability system access, submitted
31 by an individual or business to the liquor and cannabis board under
32 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
33 69.50.345 for the purpose of marijuana product traceability.
34 Disclosure to local, state, and federal officials is not considered
35 public disclosure for purposes of this section; (~~and~~))

36 (26) Financial and commercial information submitted to or
37 obtained by the retirement board of any city that is responsible for
38 the management of an employees' retirement system pursuant to the
39 authority of chapter 35.39 RCW, when the information relates to
40 investments in private funds, to the extent that such information, if

1 revealed, would reasonably be expected to result in loss to the
2 retirement fund or to result in private loss to the providers of this
3 information except that (a) the names and commitment amounts of the
4 private funds in which retirement funds are invested and (b) the
5 aggregate quarterly performance results for a retirement fund's
6 portfolio of investments in such funds are subject to disclosure;
7 ((and))

8 (27) Proprietary financial, commercial, operations, and technical
9 and research information and data submitted to or obtained by the
10 liquor and cannabis board in applications for marijuana research
11 licenses under RCW 69.50.372, or in reports submitted by marijuana
12 research licensees in accordance with rules adopted by the liquor and
13 cannabis board under RCW 69.50.372; and

14 (28) Any records, including proprietary financial, commercial,
15 operations, and personal information and data submitted to or
16 obtained by the department of licensing or any municipality or county
17 under chapter 46.--- RCW (the new chapter created in section 39 of
18 this act).

19 NEW SECTION. **Sec. 23.** The transportation network company
20 account is created in the custody of the state treasurer. All
21 receipts from sections 4(2) and 17(4) of this act must be deposited
22 into the account. Expenditures from the account may be used only for
23 the purposes provided in section 17(4) of this act. Only the director
24 or the director's designee may authorize expenditures from the
25 account. The account is subject to allotment procedures under chapter
26 43.88 RCW, but an appropriation is not required for expenditures.

27 **Sec. 24.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10,
28 2016 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to
29 read as follows:

30 (1) Money in the treasurer's trust fund may be deposited,
31 invested, and reinvested by the state treasurer in accordance with
32 RCW 43.84.080 in the same manner and to the same extent as if the
33 money were in the state treasury, and may be commingled with moneys
34 in the state treasury for cash management and cash balance purposes.

35 (2) All income received from investment of the treasurer's trust
36 fund must be set aside in an account in the treasury trust fund to be
37 known as the investment income account.

1 (3) The investment income account may be utilized for the payment
2 of purchased banking services on behalf of treasurer's trust funds
3 including, but not limited to, depository, safekeeping, and
4 disbursement functions for the state treasurer or affected state
5 agencies. The investment income account is subject in all respects to
6 chapter 43.88 RCW, but no appropriation is required for payments to
7 financial institutions. Payments must occur prior to distribution of
8 earnings set forth in subsection (4) of this section.

9 (4)(a) Monthly, the state treasurer must distribute the earnings
10 credited to the investment income account to the state general fund
11 except under (b), (c), and (d) of this subsection.

12 (b) The following accounts and funds must receive their
13 proportionate share of earnings based upon each account's or fund's
14 average daily balance for the period: The 24/7 sobriety account, the
15 Washington promise scholarship account, the Washington advanced
16 college tuition payment program account, the Washington college
17 savings program account, the accessible communities account, the
18 Washington achieving a better life experience program account, the
19 community and technical college innovation account, the agricultural
20 local fund, the American Indian scholarship endowment fund, the
21 foster care scholarship endowment fund, the foster care endowed
22 scholarship trust fund, the contract harvesting revolving account,
23 the Washington state combined fund drive account, the commemorative
24 works account, the county enhanced 911 excise tax account, the toll
25 collection account, the developmental disabilities endowment trust
26 fund, the energy account, the fair fund, the family leave insurance
27 account, the food animal veterinarian conditional scholarship
28 account, the fruit and vegetable inspection account, the future
29 teachers conditional scholarship account, the game farm alternative
30 account, the GET ready for math and science scholarship account, the
31 Washington global health technologies and product development
32 account, the grain inspection revolving fund, the industrial
33 insurance rainy day fund, the juvenile accountability incentive
34 account, the law enforcement officers' and firefighters' plan 2
35 expense fund, the local tourism promotion account, the multiagency
36 permitting team account, the pilotage account, the produce railcar
37 pool account, the regional transportation investment district
38 account, the rural rehabilitation account, the Washington sexual
39 assault kit account, the stadium and exhibition center account, the
40 youth athletic facility account, the self-insurance revolving fund,

1 the children's trust fund, the transportation network company
2 account, the Washington horse racing commission Washington bred
3 owners' bonus fund and breeder awards account, the Washington horse
4 racing commission class C purse fund account, the individual
5 development account program account, the Washington horse racing
6 commission operating account, the life sciences discovery fund, the
7 Washington state heritage center account, the reduced cigarette
8 ignition propensity account, the center for childhood deafness and
9 hearing loss account, the school for the blind account, the
10 Millersylvania park trust fund, the public employees' and retirees'
11 insurance reserve fund, and the radiation perpetual maintenance fund.

12 (c) The following accounts and funds must receive eighty percent
13 of their proportionate share of earnings based upon each account's or
14 fund's average daily balance for the period: The advanced right-of-
15 way revolving fund, the advanced environmental mitigation revolving
16 account, the federal narcotics asset forfeitures account, the high
17 occupancy vehicle account, the local rail service assistance account,
18 and the miscellaneous transportation programs account.

19 (d) Any state agency that has independent authority over accounts
20 or funds not statutorily required to be held in the custody of the
21 state treasurer that deposits funds into a fund or account in the
22 custody of the state treasurer pursuant to an agreement with the
23 office of the state treasurer shall receive its proportionate share
24 of earnings based upon each account's or fund's average daily balance
25 for the period.

26 (5) In conformance with Article II, section 37 of the state
27 Constitution, no trust accounts or funds shall be allocated earnings
28 without the specific affirmative directive of this section.

29 NEW SECTION. **Sec. 25.** (1) Except as provided otherwise in this
30 section, the state of Washington fully occupies and preempts: The
31 entire field of regulation of transportation network company
32 licensing and permits for transportation network companies and
33 transportation network company drivers; all requirements,
34 applications, certifications, examinations, and background checks for
35 transportation network company drivers, and the processing and
36 adjudication of each; and all rate, entry, or operational
37 requirements for transportation network companies within the
38 boundaries of the state. Any political subdivision in this state may
39 enforce only those laws and ordinances relating to the regulation of

1 such fields concerning the transportation network company industry
2 that are specifically authorized by state law and are consistent with
3 this chapter. This section is not intended to limit, extend, address,
4 affect, or permit the authority of any political subdivision to
5 impose generally applicable requirements upon transportation network
6 companies within its jurisdiction, such as obtaining a business
7 license. Local laws and ordinances that are inconsistent with, more
8 restrictive than, or exceed the requirements of this chapter may not
9 be enacted and are preempted and repealed, regardless of the code,
10 charter, or home rule status of such political subdivision.

11 (2) This section does not limit the authority of a city with a
12 population of five hundred thousand or more or a county with a
13 population of one million or more to enforce this chapter, including
14 any rules adopted by the department under this chapter, as applicable
15 to transportation network companies, transportation network company
16 drivers, and transportation network company vehicles.

17 (3) Any public entity operating a commercial airport facility may
18 fully regulate all transportation network company activities related
19 to the provision of transportation network company services at the
20 airport facility or on airport facility property including, but not
21 limited to, rate, entry, and operational requirements and the
22 enforcement of the public entity's rules and regulations; provided,
23 however, that the state maintains the authority as set forth in
24 sections 3, 4, 5, 7, 8, 9, 10, 11, 12 (1)(a) and (c), (2), and (3),
25 and 13 of this act. This chapter does not limit the authority of a
26 public entity operating an airport facility from requiring a
27 transportation network company permitted under section 4 of this act
28 to enter into a contract or agreement governing the operations of the
29 transportation network company on airport facility property.

30 (4) This chapter does not affect the authority of a municipality,
31 county, or other local governmental entity from regulating and
32 enforcing rules relating to traffic flow, traffic patterns, and
33 roadways, including the public right-of-way, to ensure public safety
34 and convenience and, if applicable, imposing impact fees.

35 **Sec. 26.** RCW 48.177.010 and 2015 c 236 s 2 are each amended to
36 read as follows:

37 (1)(a) Before being used to provide (~~commercial~~) transportation
38 network company services, every personal vehicle must be covered by a
39 primary automobile insurance policy that specifically covers

1 ((~~commercial~~)) transportation network company services. However, the
2 insurance coverage requirements of this section are alternatively
3 satisfied by securing coverage pursuant to chapter 46.72 or 46.72A
4 RCW that covers the personal vehicle being used to provide
5 ((~~commercial~~)) transportation network company services and that is in
6 effect twenty-four hours per day, seven days per week. Except as
7 provided in subsection (2) of this section, a ((~~commercial~~))
8 transportation ((~~services provider~~)) network company must secure this
9 policy for every personal vehicle used to provide ((~~commercial~~))
10 transportation network company services. For purposes of this
11 section, a "primary automobile insurance policy" is not a private
12 passenger automobile insurance policy.

13 (b) The primary automobile insurance policy required under this
14 section must provide coverage, as specified in this subsection
15 (1)(b), at all times the driver is logged in to a ((~~commercial~~))
16 transportation ((~~services provider's~~)) network company's digital
17 network ((~~or software application~~)) and at all times a passenger is
18 in ((~~the~~)) a transportation network company vehicle as part of a
19 prearranged ride.

20 (i) The primary automobile insurance policy required under this
21 subsection must provide the following coverage during ((~~commercial~~))
22 transportation network company services applicable during the period
23 before a driver accepts a requested ride through a digital network
24 ((~~or software application~~)):

25 (A) Liability coverage in an amount no less than fifty thousand
26 dollars per person for bodily injury, one hundred thousand dollars
27 per accident for bodily injury of all persons, and thirty thousand
28 dollars for damage to property;

29 (B) Underinsured motorist coverage to the extent required under
30 RCW 48.22.030; and

31 (C) Personal injury protection coverage to the extent required
32 under RCW 48.22.085 and 48.22.095.

33 (ii) The primary automobile insurance policy required under this
34 subsection must provide the following coverage, applicable during the
35 period of a prearranged ride:

36 (A) Combined single limit liability coverage in the amount of one
37 million dollars for death, personal injury, and property damage;

38 (B) Underinsured motorist coverage in the amount of one million
39 dollars; and

1 (C) Personal injury protection coverage to the extent required
2 under RCW 48.22.085 and 48.22.095.

3 (2)(a) As an alternative to the provisions of subsection (1) of
4 this section, if the office of the insurance commissioner approves
5 the offering of an insurance policy that recognizes that a person is
6 acting as a transportation network company driver (~~(for a commercial~~
7 ~~transportation services provider)~~) and using a personal vehicle to
8 provide (~~(commercial)~~) transportation network company services, a
9 driver may secure a primary automobile insurance policy covering a
10 personal vehicle and providing the same coverage as required in
11 subsection (1) of this section. The policy coverage may be in the
12 form of a rider to, or endorsement of, the driver's private passenger
13 automobile insurance policy only if approved as such by the office of
14 the insurance commissioner.

15 (b) If the primary automobile insurance policy maintained by a
16 driver to meet the obligation of this section does not provide
17 coverage for any reason, including that the policy lapsed or did not
18 exist, the (~~(commercial)~~) transportation (~~(services provider)~~)
19 network company must provide the coverage required under this section
20 beginning with the first dollar of a claim.

21 (c) The primary automobile insurance policy required under this
22 subsection and subsection (1) of this section may be secured by any
23 of the following:

24 (i) The (~~(commercial)~~) transportation (~~(services provider)~~)
25 network company as provided under subsection (1) of this section;

26 (ii) The transportation network company driver as provided under
27 (a) of this subsection; or

28 (iii) A combination of both the (~~(commercial)~~) transportation
29 (~~(services provider)~~) network company and the transportation network
30 company driver.

31 (3) The insurer or insurers providing coverage under subsections
32 (1) and (2) of this section are the only insurers having the duty to
33 defend any liability claim from an accident occurring while
34 (~~(commercial)~~) transportation network company services are being
35 provided.

36 (4) In addition to the requirements in subsections (1) and (2) of
37 this section, before allowing a person to provide (~~(commercial)~~)
38 transportation network company services as a transportation network
39 company driver, a (~~(commercial)~~) transportation (~~(services provider)~~)
40 network company must provide written proof to the driver that the

1 driver is covered by a primary automobile insurance policy that meets
2 the requirements of this section. Alternatively, if a transportation
3 network company driver purchases a primary automobile insurance
4 policy as allowed under subsection (2) of this section, the
5 (~~commercial~~) transportation (~~services provider~~) network company
6 must verify that the driver has done so.

7 (5) A primary automobile insurance policy required under
8 subsection (1) or (2) of this section may be placed with an insurer
9 licensed under this title to provide insurance in the state of
10 Washington or as an eligible surplus line insurance policy as
11 described in RCW 48.15.040.

12 (6) Insurers that write automobile insurance in Washington may
13 exclude any and all coverage afforded under a private passenger
14 automobile insurance policy issued to an owner or operator of a
15 personal vehicle for any loss or injury that occurs while a
16 transportation network company driver (~~for a commercial~~
17 ~~transportation services provider~~) is logged in to a (~~commercial~~)
18 transportation (~~services provider's~~) network company's digital
19 network or while a transportation network company driver provides a
20 prearranged ride. This right to exclude all coverage may apply to any
21 coverage included in a private passenger automobile insurance policy
22 including, but not limited to:

- 23 (a) Liability coverage for bodily injury and property damage;
- 24 (b) Personal injury protection coverage;
- 25 (c) Underinsured motorist coverage;
- 26 (d) Medical payments coverage;
- 27 (e) Comprehensive physical damage coverage; and
- 28 (f) Collision physical damage coverage.

29 (7) Nothing in this section shall be construed to require a
30 private passenger automobile insurance policy to provide primary or
31 excess coverage or a duty to defend for the period of time in which a
32 transportation network company driver is logged in to a
33 (~~commercial~~) transportation (~~services provider's~~) network
34 company's digital network (~~or software application~~) or while the
35 driver is engaged in a prearranged ride or the driver otherwise uses
36 a vehicle to transport passengers for compensation.

37 (8) Insurers that exclude coverage under subsection (6) of this
38 section have no duty to defend or indemnify any claim expressly
39 excluded under subsection (6) of this section. Nothing in this
40 section shall be deemed to invalidate or limit an exclusion contained

1 in a policy, including any policy in use or approved for use in
2 Washington state before July 24, 2015, that excludes coverage for
3 vehicles used to carry persons or property for a charge or available
4 for hire by the public.

5 (9) An exclusion exercised by an insurer in subsection (6) of
6 this section applies to any coverage selected or rejected by a named
7 insured under RCW 48.22.030 and 48.22.085. The purchase of a rider or
8 endorsement by a transportation network company driver under
9 subsection (2)(a) of this section does not require a separate
10 coverage rejection under RCW 48.22.030 or 48.22.085.

11 (10) If more than one insurance policy provides valid and
12 collectible coverage for a loss arising out of an occurrence
13 involving a motor vehicle operated by a transportation network
14 company driver, the responsibility for the claim must be divided as
15 follows:

16 (a) Except as provided otherwise under subsection (2)(c) of this
17 section, if the driver has been matched with a passenger and is
18 traveling to pick up the passenger, or the driver is providing
19 transportation network company services to a passenger, the
20 ~~((commercial))~~ transportation ~~((services provider))~~ network company
21 that matched the driver and passenger must provide insurance
22 coverage; or

23 (b) If the driver is logged in to the digital network ~~((or~~
24 ~~software application))~~ of more than one ~~((commercial))~~ transportation
25 ~~((services provider))~~ network company but has not been matched with a
26 passenger, the liability must be divided equally among all of the
27 applicable insurance policies that specifically provide coverage for
28 ~~((commercial))~~ transportation network company services.

29 (11) In an accident or claims coverage investigation, a
30 ~~((commercial))~~ transportation ~~((services provider))~~ network company
31 or its insurer must cooperate with a private passenger automobile
32 insurance policy insurer and other insurers that are involved in the
33 claims coverage investigation to facilitate the exchange of
34 information, including the provision of (a) dates and times at which
35 an accident occurred that involved a participating transportation
36 network company driver and (b) within ten business days after
37 receiving a request, a copy of the provider's electronic record
38 showing the precise times that the participating driver logged on and
39 off the provider's digital network ~~((or software application))~~ on the
40 day the accident or other loss occurred. The ~~((commercial))~~

1 transportation (~~services provider~~) network company or its insurer
2 must retain all data, communications, or documents related to
3 insurance coverage or accident details for a period of not less than
4 the applicable statutes of limitation, plus two years from the date
5 of an accident to which those records pertain.

6 (12) This section does not modify or abrogate any otherwise
7 applicable insurance requirement set forth in this title.

8 (13) After July 1, 2016, an insurance company regulated under
9 this title may not deny an otherwise covered claim arising
10 exclusively out of the personal use of the private passenger
11 automobile solely on the basis that the insured, at other times, used
12 the private passenger automobile covered by the policy to provide
13 (~~commercial~~) transportation network company services.

14 (14) If an insurer for a (~~commercial~~) transportation (~~services
15 provider~~) network company makes a payment for a claim covered under
16 comprehensive coverage or collision coverage, the (~~commercial~~)
17 transportation (~~services provider~~) network company must cause its
18 insurer to issue the payment directly to the business repairing the
19 vehicle or jointly to the owner of the vehicle and the primary
20 lienholder on the covered vehicle.

21 (15)(a) To be eligible for securing a primary automobile
22 insurance policy under this section, a (~~commercial~~) transportation
23 (~~services provider~~) network company must make the following
24 disclosures in writing to a prospective driver in the prospective
25 driver's terms of service:

26 WHILE OPERATING ON THE DIGITAL NETWORK (~~OR SOFTWARE
27 APPLICATION~~) OF THE (~~COMMERCIAL~~) TRANSPORTATION (~~SERVICES
28 PROVIDER~~) NETWORK COMPANY, YOUR PRIVATE PASSENGER AUTOMOBILE
29 INSURANCE POLICY MIGHT NOT AFFORD LIABILITY, UNDERINSURED MOTORIST,
30 PERSONAL INJURY PROTECTION, COMPREHENSIVE, OR COLLISION COVERAGE,
31 DEPENDING ON THE TERMS OF THE POLICY.

32 IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE (~~COMMERCIAL~~)
33 TRANSPORTATION NETWORK COMPANY SERVICES FOR OUR COMPANY HAS A LIEN
34 AGAINST IT, YOU MUST NOTIFY THE LIENHOLDER THAT YOU WILL BE USING THE
35 VEHICLE FOR (~~COMMERCIAL~~) TRANSPORTATION NETWORK COMPANY SERVICES
36 THAT MAY VIOLATE THE TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.

37 (b) The prospective driver must acknowledge the terms of service
38 electronically or by signature.

1 (16) A driver providing transportation network company services
2 who is not in compliance with this section commits a civil infraction
3 subject to a monetary penalty of fifty dollars. A state or local law
4 enforcement officer may issue a citation for any such violation. If
5 such a driver is cited for a violation under this subsection, every
6 transportation network company that permits such a driver to access
7 the transportation network company's digital network to provide
8 transportation network company services is subject to a fine of five
9 hundred dollars.

10 **Sec. 27.** RCW 51.12.020 and 2015 c 236 s 4 are each amended to
11 read as follows:

12 The following are the only employments which shall not be
13 included within the mandatory coverage of this title:

14 (1) Any person employed as a domestic servant in a private home
15 by an employer who has less than two employees regularly employed
16 forty or more hours a week in such employment.

17 (2) Any person employed to do gardening, maintenance, or repair,
18 in or about the private home of the employer. For the purposes of
19 this subsection, "maintenance" means the work of keeping in proper
20 condition, "repair" means to restore to sound condition after damage,
21 and "private home" means a person's place of residence.

22 (3) A person whose employment is not in the course of the trade,
23 business, or profession of his or her employer and is not in or about
24 the private home of the employer.

25 (4) Any person performing services in return for aid or
26 sustenance only, received from any religious or charitable
27 organization.

28 (5) Sole proprietors or partners.

29 (6) Any child under eighteen years of age employed by his or her
30 parent or parents in agricultural activities on the family farm.

31 (7) Jockeys while participating in or preparing horses for race
32 meets licensed by the Washington horse racing commission pursuant to
33 chapter 67.16 RCW.

34 (8)(a) Except as otherwise provided in (b) of this subsection,
35 any bona fide officer of a corporation voluntarily elected or
36 voluntarily appointed in accordance with the articles of
37 incorporation or bylaws of the corporation, who at all times during
38 the period involved is also a bona fide director, and who is also a
39 shareholder of the corporation. Only such officers who exercise

1 substantial control in the daily management of the corporation and
2 whose primary responsibilities do not include the performance of
3 manual labor are included within this subsection.

4 (b) Alternatively, a corporation that is not a "public company"
5 as defined in RCW 23B.01.400 may exempt eight or fewer bona fide
6 officers, who are voluntarily elected or voluntarily appointed in
7 accordance with the articles of incorporation or bylaws of the
8 corporation and who exercise substantial control in the daily
9 management of the corporation, from coverage under this title without
10 regard to the officers' performance of manual labor if the exempted
11 officer is a shareholder of the corporation, or may exempt any number
12 of officers if all the exempted officers are related by blood within
13 the third degree or marriage. If a corporation that is not a "public
14 company" elects to be covered under subsection (8)(a) of this
15 section, the corporation's election must be made on a form prescribed
16 by the department and under such reasonable rules as the department
17 may adopt.

18 (c) Determinations respecting the status of persons performing
19 services for a corporation shall be made, in part, by reference to
20 Title 23B RCW and to compliance by the corporation with its own
21 articles of incorporation and bylaws. For the purpose of determining
22 coverage under this title, substance shall control over form, and
23 mandatory coverage under this title shall extend to all workers of
24 this state, regardless of honorary titles conferred upon those
25 actually serving as workers.

26 (d) A corporation may elect to cover officers who are exempted by
27 this subsection in the manner provided by RCW 51.12.110.

28 (9) Services rendered by a musician or entertainer under a
29 contract with a purchaser of the services, for a specific engagement
30 or engagements when such musician or entertainer performs no other
31 duties for the purchaser and is not regularly and continuously
32 employed by the purchaser. A purchaser does not include the leader of
33 a group or recognized entity who employs other than on a casual basis
34 musicians or entertainers.

35 (10) Services performed by a newspaper vendor, carrier, or
36 delivery person selling or distributing newspapers on the street, to
37 offices, to businesses, or from house to house and any freelance news
38 correspondent or "stringer" who, using his or her own equipment,
39 chooses to submit material for publication for free or a fee when
40 such material is published.

1 (11) Services performed by an insurance producer, as defined in
2 RCW 48.17.010, or a surplus line broker licensed under chapter 48.15
3 RCW.

4 (12) Services performed by a booth renter. However, a person
5 exempted under this subsection may elect coverage under RCW
6 51.32.030.

7 (13) Members of a limited liability company, if either:

8 (a) Management of the company is vested in its members, and the
9 members for whom exemption is sought would qualify for exemption
10 under subsection (5) of this section were the company a sole
11 proprietorship or partnership; or

12 (b) Management of the company is vested in one or more managers,
13 and the members for whom the exemption is sought are managers who
14 would qualify for exemption under subsection (8) of this section were
15 the company a corporation.

16 (14) A driver providing (~~commercial~~) transportation network
17 company services ((as defined in RCW 48.177.005)) under chapter
18 46.--- RCW (the new chapter created in section 39 of this act). The
19 driver may elect coverage in the manner provided by RCW 51.32.030.

20 (15) For hire vehicle operators under chapter 46.72 RCW who own
21 or lease the for hire vehicle, chauffeurs under chapter 46.72A RCW
22 who own or lease the limousine, and operators of taxicabs under
23 chapter 81.72 RCW who own or lease the taxicab. An owner or lessee
24 may elect coverage in the manner provided by RCW 51.32.030.

25 **Sec. 28.** RCW 46.72.010 and 1996 c 87 s 18 are each amended to
26 read as follows:

27 When used in this chapter:

28 (1) The term "for hire vehicle" includes all vehicles used for
29 the transportation of passengers for compensation, except auto
30 stages, school buses operating exclusively under a contract to a
31 school district, ride-sharing vehicles under chapter 46.74 RCW,
32 limousine carriers licensed under chapter 46.72A RCW, vehicles used
33 to provide transportation network company services under chapter
34 46.--- RCW (the new chapter created in section 39 of this act),
35 vehicles used by nonprofit transportation providers for elderly
36 persons or (~~handicapped~~) persons with disabilities and their
37 attendants under chapter 81.66 RCW, vehicles used by auto
38 transportation companies licensed under chapter 81.68 RCW, vehicles
39 used to provide courtesy transportation at no charge to and from

1 parking lots, hotels, and rental offices, and vehicles used by
2 charter party carriers of passengers and excursion service carriers
3 licensed under chapter 81.70 RCW;

4 (2) The term "for hire operator" means and includes any person,
5 concern, or entity engaged in the transportation of passengers for
6 compensation in for hire vehicles.

7 **Sec. 29.** RCW 46.74.020 and 1979 c 111 s 2 are each amended to
8 read as follows:

9 Ride-sharing vehicles are not deemed for hire vehicles and do not
10 fall within the provisions of chapter 46.72 RCW or any other
11 provision of Title 46 RCW affecting for hire vehicles or
12 transportation network company vehicles, whether or not the ride-
13 sharing operator receives compensation.

14 **Sec. 30.** RCW 50.04.100 and 1982 1st ex.s. c 18 s 14 are each
15 amended to read as follows:

16 "Employment", subject only to the other provisions of this title,
17 means personal service, of whatever nature, unlimited by the
18 relationship of master and servant as known to the common law or any
19 other legal relationship, including service in interstate commerce,
20 performed for wages or under any contract calling for the performance
21 of personal services, written or oral, express or implied. However,
22 for purposes of this title "employment" does not include
23 transportation network company services performed by a transportation
24 network company driver under chapter 46.--- RCW (the new chapter
25 created in section 39 of this act), on or after January 1, 2011.

26 Except as provided by RCW 50.04.145, personal services performed
27 for an employing unit by one or more contractors or subcontractors
28 acting individually or as a partnership, which do not meet the
29 provisions of RCW 50.04.140, shall be considered employment of the
30 employing unit: PROVIDED, HOWEVER, That such contractor or
31 subcontractor shall be an employer under the provisions of this title
32 in respect to personal services performed by individuals for such
33 contractor or subcontractor.

34 **Sec. 31.** RCW 81.68.015 and 2009 c 557 s 1 are each amended to
35 read as follows:

36 This chapter does not apply to corporations or persons, their
37 lessees, trustees, receivers, or trustees appointed by any court

1 whatsoever insofar as they own, control, operate, or manage taxicabs,
2 hotel buses, school buses, or any other carrier that does not come
3 within the term "auto transportation company" as defined in RCW
4 81.68.010.

5 This chapter does not apply to persons operating motor vehicles
6 when operated wholly within the limits of incorporated cities or
7 towns, and for a distance not exceeding three road miles beyond the
8 corporate limits of the city or town in Washington in which the
9 original starting point of the vehicle is located, and which
10 operation either alone or in conjunction with another vehicle or
11 vehicles is not a part of any journey beyond the three-mile limit.

12 This chapter does not apply to commuter ride sharing or ride
13 sharing for persons with special transportation needs in accordance
14 with RCW 46.74.010, so long as the ride-sharing operation does not
15 compete with or infringe upon comparable service actually being
16 provided before the initiation of the ride-sharing operation by an
17 existing auto transportation company certificated under this chapter.

18 This chapter does not apply to a service carrying passengers for
19 compensation over any public highway in this state between fixed
20 termini or over a regular route if the commission finds, with or
21 without a hearing, that the service does not serve an essential
22 transportation purpose, is solely for recreation, and would not
23 adversely affect the operations of the holder of a certificate under
24 this chapter, and that exemption from this chapter is otherwise in
25 the public interest. Companies providing these services must,
26 however, obtain a permit under chapter 81.70 RCW.

27 This chapter does not apply to a service carrying passengers for
28 compensation over any public highway in this state between fixed
29 termini or over a regular route if the commission finds, with or
30 without a hearing, that the service is provided pursuant to a
31 contract with a state agency, or funded by a grant issued by the
32 department of transportation, and that exemption from this chapter is
33 otherwise in the public interest. Companies providing these services
34 must, however, obtain a permit under chapter 81.70 RCW.

35 This chapter does not apply to transportation network companies,
36 transportation network company drivers, or transportation network
37 company vehicles under chapter 46.--- RCW (the new chapter created in
38 section 39 of this act).

1 **Sec. 32.** RCW 19.182.040 and 2011 c 333 s 2 are each amended to
2 read as follows:

3 (1) Except as authorized under subsection (2) of this section, no
4 consumer reporting agency may make a consumer report containing any
5 of the following items of information:

6 (a) Bankruptcies that, from date of adjudication of the most
7 recent bankruptcy, antedate the report by more than ten years;

8 (b) Suits and judgments that, from date of entry, antedate the
9 report by more than seven years or until the governing statute of
10 limitations has expired, whichever is the longer period;

11 (c) Paid tax liens that, from date of payment, antedate the
12 report by more than seven years;

13 (d) Accounts placed for collection or charged to profit and loss
14 that antedate the report by more than seven years;

15 (e) Records of arrest, indictment, or conviction of an adult for
16 a crime that, from date of disposition, release, or parole, antedate
17 the report by more than seven years;

18 (f) Juvenile records, as defined in RCW 13.50.010(1)(~~e~~) (d),
19 when the subject of the records is twenty-one years of age or older
20 at the time of the report; and

21 (g) Any other adverse item of information that antedates the
22 report by more than seven years.

23 (2) Subsection (1)(a) through (e) and (g) of this section is not
24 applicable in the case of a consumer report to be used in connection
25 with:

26 (a) A credit transaction involving, or that may reasonably be
27 expected to involve, a principal amount of fifty thousand dollars or
28 more;

29 (b) The underwriting of life insurance involving, or that may
30 reasonably be expected to involve, a face amount of fifty thousand
31 dollars or more; (~~e~~)

32 (c) The employment of an individual at an annual salary that
33 equals, or that may reasonably be expected to equal, twenty thousand
34 dollars or more; or

35 (d) A background check searching for any conviction of an adult
36 for a crime that is a sex offense as defined in RCW 9.94A.030.

37 NEW SECTION. **Sec. 33.** A new section is added to chapter 50.04
38 RCW to read as follows:

1 Except for services subject to RCW 50.44.010, 50.44.020,
2 50.44.030, or 50.50.010, "employment" does not include transportation
3 network company services performed by a transportation network
4 company driver under chapter 46.--- RCW (the new chapter created in
5 section 39 of this act) on or after January 1, 2011.

6 NEW SECTION. **Sec. 34.** This chapter does not change or limit the
7 authority of: The utilities and transportation commission to regulate
8 special needs transportation providers under chapter 81.66 RCW, auto
9 transportation companies under chapter 81.68 RCW, or charter and
10 excursion companies under chapter 81.70 RCW; or a certificate holder
11 under chapter 81.66, 81.68, or 81.70 RCW to provide transportation
12 services within the scope of the holder's certificate.

13 NEW SECTION. **Sec. 35.** (1) A transportation network company
14 driver, transportation network company, any of the company's agents,
15 or any person acting on behalf of a transportation network company
16 may not take adverse action against any transportation network
17 company rider or riders if:

18 (a) The rider or former rider has informed any other person or
19 made a complaint, or the driver or transportation network company
20 believes a rider has informed any other person or made a complaint,
21 including to the driver, the transportation network company, the
22 department, the attorney general, or any other person, that the
23 driver or transportation network company engaged in conduct that the
24 rider reasonably believes violates this chapter;

25 (b) The rider or former rider has sought information about the
26 rider's rights under this chapter or informed others about their
27 rights under this chapter; or

28 (c) The rider or former rider has, or the driver or
29 transportation network company believes a rider has, otherwise
30 exercised rights protected under this chapter.

31 (2) For purposes of this section, "adverse action" means revoking
32 or denying services.

33 NEW SECTION. **Sec. 36.** (1) The legislature finds that the
34 practices covered under this chapter are matters vitally affecting
35 the public interest for the purpose of applying chapter 19.86 RCW. A
36 violation of this chapter is not reasonable in relation to the
37 development and preservation of business and is an unfair or

1 deceptive act in trade or commerce and an unfair method of
2 competition for the purpose of applying chapter 19.86 RCW.

3 (2) The attorney general must maintain a toll-free number for
4 complaints from transportation network company riders or former
5 riders related to this chapter and maintain a web site to inform
6 riders of their rights under this chapter.

7 (3) The transportation network company must maintain data
8 regarding transportation network company rider complaints. The
9 department and attorney general must have access to the data.

10 NEW SECTION. **Sec. 37.** RCW 48.177.005 (Definitions) and 2016 c
11 21 s 1 are each repealed.

12 NEW SECTION. **Sec. 38.** RCW 48.177.010 is recodified as a section
13 in chapter 46.--- RCW (the new chapter created in section 39 of this
14 act).

15 NEW SECTION. **Sec. 39.** Sections 1 through 21, 23, 25, and 34
16 through 36 of this act constitute a new chapter in Title 46 RCW.

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