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**SENATE BILL 5926**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Hobbs, King, Takko, and Zeiger

AN ACT Relating to the creation of a statewide regulatory structure for transportation network companies; amending RCW 19.182.040 and 46.72.010; reenacting and amending RCW 43.79A.040; and adding a new chapter to Title 46 RCW.

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

NEW SECTION. **Sec.**  The purpose of this chapter is to: Provide statewide uniform regulation relating to certain operating requirements for transportation network companies, transportation network company drivers, and transportation network company vehicles within the state of Washington, encourage technological innovation, and preserve and enhance access to important transportation options for residents and visitors to Washington state.

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

(1) "Compensation" means remuneration or anything of economic value that is provided, promised, or donated primarily in exchange for services rendered. "Compensation" includes, but is not limited to, voluntary donations, or fee sharing agreements between a transportation network company and transportation network company affiliated driver.

(2) "Complaint" or "complaints" means an allegation, made by any person to a transportation network company, or to the department, a local law enforcement officer, or the attorney general, and received by a transportation network company, that a transportation network company driver has violated a provision of this chapter or a rule adopted under this chapter. A digital network rating is not a complaint.

(3) "Digital network" means an online enabled technology application service, web site, or system, offered or used by a transportation network company that enables prearranged rides with transportation network company drivers.

(4) "Driver list" means a list of drivers, including applicants, who are affiliated with a licensed transportation network company and meet all applicable requirements of this chapter.

(5) "Fee" means any charge authorized by this chapter and paid by a transportation network company.

(6) "Individual records of transportation network company drivers" means any and all records collected or reviewed by the transportation network company to ensure that the driver is compliant with this chapter.

(7) "Individual trip records" includes, for each ride provided by each transportation network company driver:

(a) The date, time, origin, route, destination, distance, and time traveled;

(b) Whether a complaint was lodged during the ride, an accessible vehicle was requested, or a collision occurred;

(c) Whether or not the trip or a portion thereof was shared by another passenger, if known; and

(d) For a canceled trip, whether the trip was canceled by the driver or by the passenger.

(8) "Local jurisdiction" means any agency, political subdivision, or unit of local government of this state including, but not limited to, a municipality or a county.

(9) "Local law enforcement officer" or "local law enforcement agency" means, for the sole purpose of enforcement, any person or agency authorized by a local jurisdiction, to carry out enforcement activities under this chapter including, but not limited to, local police officers and regulatory inspectors.

(10) "Prearranged ride" has the same meaning as in RCW 48.177.005.

(11) "Transportation network company" means a corporation, partnership, sole proprietorship, or other entity that is required to be licensed under this chapter, operates in this state, and uses a digital network to connect passengers with transportation network company drivers to provide prearranged rides.

(12) "Transportation network company driver" means a natural person who:

(a) Receives connections to potential passengers from a transportation network company via a digital network; and

(b) Uses a transportation network company vehicle to offer or provide a prearranged ride to a passenger through a digital network controlled by a transportation network company in exchange for compensation.

(13) "Transportation network company driver permit" means authorization by the director, in a form to be determined by the director, that is issued after a transportation network company certifies that a transportation network company driver meets all of the requirements of this chapter to be a transportation network company driver.

(14) "Transportation network company license" means a license issued by the director to a qualifying transportation network company under this chapter.

(15) "Transportation network company services" means services provided by a transportation network company driver while logged in to a transportation network company's digital network to provide prearranged rides. Transportation network company does not include transportation services provided by: (a) For hire vehicles as defined in RCW 46.72.010; (b) vehicles operating as taxicabs, limousines, or motor carriers as defined in RCW 81.80.010, or under chapter 46.72, 46.73, or 81.72 RCW; (c) shared expense carpools, vanpool arrangements, or services defined as ride sharing in RCW 46.74.010; (d) auto transportation companies defined in RCW 81.68.010; (e) metropolitan transportation entities as described in RCW 35.58.020 and 35.58.250, or the portion of services provided by any entity operating under contract with a metropolitan public transportation entity; or (f) the portion of services provided either directly by or under contract with a political subdivision that is authorized to provide transportation services under chapter 35.58 RCW, or other entity exempt from federal income tax under 26 U.S.C. Sec. 115 of the federal internal revenue code of 1986, as amended.

(16) "Transportation network company vehicle" is a vehicle that:

(a) Is owned, leased, or otherwise authorized for use by a transportation network company driver and is used to provide transportation network company services via a digital network to passengers for compensation; and

(b) Is not operating as a taxicab, limousine, commuter ride sharing vehicle, for hire vehicle, auto transportation company vehicle, or metropolitan transportation vehicle for purposes of chapter 35.58, 46.72, 46.73, 46.74, 46.76, 81.68, or 81.72 RCW.

NEW SECTION. **Sec.**  (1) It is unlawful for a transportation network company to operate in more than one county in the state of Washington without a valid transportation network company license issued by the director. For purposes of this section, an application that links a digital network to improve transportation access is not a transportation network company. A transportation network company license issued by the department does not create a duty for a transportation network company to operate in any given jurisdiction of this state.

(2) To qualify for a transportation network company license, a transportation network company must provide the following to the director:

(a) The applicant's name, business street address and post office box address, business telephone number, and business email at which the transportation network company representative may generally be reached between 9:00 a.m. and 5:00 p.m. on all nonholiday weekdays;

(b) The form of business entity under which the applicant will operate;

(c)(i) If the applicant is an individual, the date of birth of the owner; or

(ii) If the applicant is a corporation, partnership or other business entity, the names, business addresses, and telephone numbers of the company representative and all other persons vested with authority to manage or direct the affairs of the entity or to bind the entity in dealings in this state; the entity's legal name and state of incorporation; registration, if any, with the secretary of state of the state of Washington; and state of Washington business license number;

(d) The trade dress, if any, the applicant intends to use for each affiliated transportation network company vehicle, with a photo of the trade dress, for director review and approval. The director shall establish by rule the criteria for trade dress and related trade dress regulations;

(e) Evidence of the insurance required by chapter 48.177 RCW and section 26 of this act;

(f) Documentation of the company's fare structure as required by section 4 of this act;

(g) Request for approval of driver training and testing, if applicable;

(h) Disaster and state of emergency policy as required by section 5 of this act;

(i) Name and address of the company's agent for service of process in the state; and

(j) Such other information as the director may reasonably require.

(3) Transportation network companies and transportation network company drivers legally operating in this state before the effective date of this section may continue operating until the department creates a transportation network company license, transportation network company driver permit, and any processes and deadlines associated with such licenses and permits.

NEW SECTION. **Sec.**  (1) A transportation network company's fare structure must be transparent and visible to a passenger before a passenger confirms a ride. To satisfy the requirements of this section, a digital network fare must clearly display: (a) The fare for the prearranged ride; (b) the option to receive an estimated fare for the prearranged ride; or (c) the basis and rate on which the fare is to be calculated, and any additional fees or charges that may apply.

(2) A transportation network company shall annually demonstrate compliance with this section by: (a) Filing documentation of a transparent digital network fare with the director; or (b) providing a physical demonstration of such to the director.

(3) Compliance with this section is required to be eligible for a transportation network company license. The director may establish requirements for transparent digital network fare structures by rule.

NEW SECTION. **Sec.**  The director shall require a transportation network company to establish and implement a policy capping fare at two times the fare that would otherwise be applicable for transportation network company services to any prearranged ride during a relevant governor or local jurisdiction declared state of emergency or disaster. The policy shall apply only to the geographic area affected by such emergency or disaster.

NEW SECTION. **Sec.**  A transportation network company shall:

 (1) Submit quarterly the following reports in an electronic format approved by the director to any city with a population of more than two hundred thousand, or a county with a population of more than one million that requires such reporting by ordinance: (a) Total number of rides provided by each transportation network company; (b) percentage or number of rides picked up in each zip code; (c) pickup and drop off zip codes and the city or unincorporated county of each ride; (d) percentage by zip code of rides that are requested but not provided; (e) vehicle collisions, including the name of the driver, identification of the vehicle, collision fault, injuries, and estimated damage; (f) number of requested rides for an accessible vehicle; (g) reported crimes against drivers and passengers; (h) passenger complaints; and (i) other information reasonably determined by the director as necessary to ensure compliance with this chapter by transportation network companies; and

(2) Retain for at least two years records related to the reports required under subsection (1) of this section. Records may be maintained electronically.

NEW SECTION. **Sec.**  (1) Application for a transportation network company license shall be submitted to the director annually. Upon receipt of such application, the director shall, if such application is in proper form and all requirements of this chapter are satisfied, issue a one-year license authorizing the applicant to operate as a transportation network company in this state until the company ceases to do business as such, or until the license is suspended, revoked, or expired.

(2) A valid license issued by a local jurisdiction allowing a transportation network company to operate exempts the transportation network company from the requirements of this chapter. However, a transportation network company operating under such a license may only operate in the local jurisdiction that issued the license, and the transportation network company must: (a) Have fewer than five hundred affiliated transportation network company drivers, or (b) provide fewer than one hundred thousand trips per month.

NEW SECTION. **Sec.**  (1) It is unlawful for an individual to operate as a transportation network company driver without a valid transportation network company driver permit. Drivers not meeting all requirements of this chapter may not operate as a transportation network company driver. Transportation network company driver requirements include:

(a) A valid driver's license;

(b) A valid business license number, if required by the state or a local jurisdiction;

(c) Consent to the results of a criminal background check and driving abstract, including driving history, being provided to the department and local law enforcement officers of a county that has entered into a cooperative agreement with the department under section 29 of this act, if applicable, annually.

(d) Successful completion of any driver testing and training, if applicable, approved by the director; and

(e) Proof of valid primary automobile liability insurance as required by this chapter for each vehicle used to provide transportation network company services.

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

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

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

(b) The transportation network company, or designated third party, must obtain and review a driving history report for the individual.

(3) A transportation network company may not allow an individual to act as a transportation network company driver on its digital network who has:

(a) Within the past three years committed more than three infractions that are moving violations as defined in this title, or who has been convicted of any of the following major violations within the past five years:

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

(ii) Reckless driving pursuant to RCW 46.61.500;

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

(iv) Negligent driving in the first degree pursuant to RCW 46.61.5249;

(b) Within the past seven years has been convicted of:

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

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

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

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

(v) Any sex offense as defined in RCW 9.94A.030 or is a match in the United States department of justice national sex offender public web site;

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

(d) Does not possess proof of valid primary automobile liability insurance under this chapter for each vehicle used to provide transportation network company services;

(e) Is not at least twenty years of age with at least twelve months of driving history; or

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

(4) Subsection (3)(a) and (b) of this section apply to any conviction for any offense committed in another jurisdiction that includes all of the elements of any of the offenses in subsection (3)(a) and (b) of this section.

NEW SECTION. **Sec.**  (1) After obtaining a transportation network company license, a transportation network company must certify to the department that the transportation network company has met all requirements in this chapter by:

(a) Providing a driver list on a form approved by the director containing the following for each driver on a schedule determined by the department:

(i) Legal name;

(ii) Date of birth;

(iii) Driver's license number and expiration date;

(iv) Date of certification by the transportation network company to the department;

(v) Any additional information as may be determined by the director to ensure compliance with this chapter, provided that, if the state or a local jurisdiction requires transportation network company drivers to have a business license to operate in that jurisdiction, the director shall not require such information on the driver list.

(b) For each new driver on the driver list, on the anniversary of the driver's certification date, and each year thereafter, providing the following in a form approved by the director:

(i) Criminal background check and abstract of driving record; and

(ii) Additional information as may be determined by the director to ensure compliance with this chapter.

(2) Driver lists shall be submitted in a form approved by the department.

(3) A transportation network company driver who is included on a transportation network company driver list shall be permitted to provide transportation network company services for such transportation network company for a period of one year from the date of transportation network company's certification of such driver unless canceled by the director in accordance with subsection (4) of this section.

(4) Within sixty days of receiving the information required in subsection (1)(b) of this section, the department may immediately cancel an initial permit, with notice to the transportation network company and transportation network company driver. The notice shall include the reason the permit has been canceled and shall provide an opportunity to appeal the decision. A new driver whose initial temporary permit is canceled under this subsection shall not be allowed to drive during the appeal period.

(5) The department shall establish a single system for entry of driver information provided pursuant to this section, which may be provided directly by the department or by entering into a cooperative agreement with a local jurisdiction with population more than one million under section 29 of this act.

(6) Local law enforcement officers shall have access to driver information submitted by a transportation network company upon request to the department for the sole purpose of enforcing this chapter.

(7) Transportation network company drivers' names, dates of birth, and driver's license numbers provided pursuant to this section are exempt from disclosure under chapter 42.56 RCW. The aggregate number of transportation network company drivers and transportation network company vehicles are subject to disclosure.

NEW SECTION. **Sec.**  It is unlawful for an individual to operate a transportation network company vehicle unless a transportation network company has certified that the vehicle meets all requirements of this chapter. Transportation network company vehicles must be properly equipped and in good condition. Transportation network company vehicle requirements include having:

(1) an annual safety inspection by a third party, approved by the department, resulting in the issuance of a certificate of safety;

(2) Current vehicle license and registration;

(3) Primary automobile liability insurance as required by RCW 48.177.010; and

(4) Personal automobile liability insurance, as required by RCW 46.30.020.

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

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

(b) Meets this state's vehicle emissions requirements, if any, or if the vehicle is registered in Idaho or Oregon, the vehicle must meet comparable emissions requirements in that state, if any; and

(c) Has received an annual safety inspection by a third party that is approved by the department resulting in the issuance of a certificate of safety that includes the following components:

(i) Foot brakes;

(ii) Parking brakes;

(iii) Steering mechanism;

(iv) Windshield;

(v) Rear window and other glass;

(vi) Windshield wipers;

(vii) Headlights;

(viii) Taillights;

(ix) Brake lights;

(x) Front seat adjustment mechanism;

(xi) Doors;

(xii) Turn signal lights;

(xiii) Horn;

(xiv) Speedometer;

(xv) Bumpers;

(xvi) Muffler and exhaust system;

(xvii) Tires, including tread depth;

(xviii) Interior and exterior mirrors; and

(xix) Safety belts.

(2) For purposes of this section, a mechanic holding a valid certificate of competency issued by the institute of automotive service excellence in engine repair, suspension and steering, brakes, heating, and air conditioning, or a master technician after that mechanic, or another mechanic supervised by that mechanic, shall be considered to be a director-approved third party.

(3) When providing transportation network company services, each transportation network company vehicle must display trade dress in the windshield and rear window, visible from outside the vehicle.

(4)(a) A transportation network company must inform a transportation network company driver of the driver's responsibility to comply with all applicable safety recalls issued by a vehicle manufacturer or the national highway traffic safety administration for each motor vehicle the driver will use to provide prearranged rides; and

(b) A vehicle with an incomplete do not drive safety recall issued by the national highway traffic safety administration may not be certified or operate as a permitted transportation network company vehicle. The director shall establish by rule the reasonable measures that must be taken to ensure transportation network company drivers comply with all safety recalls in this chapter.

NEW SECTION. **Sec.**  (1) A transportation network company must certify to the department that the transportation network company has established and implemented a process to ensure that affiliated transportation network company vehicles have met all certification and operating requirements in this chapter by providing, on a schedule determined by the department, a vehicle list on a form approved by the director containing the following for each vehicle:

(a) Vehicle make, model, and year;

(b) Vehicle license plate number; and

(c) Registered owner, including the lessor, of the vehicle; and

(d) Additional information as may be determined by the director to ensure compliance with this chapter.

(2) Any vehicle not possessing the following may not be certified as a permitted transportation network company vehicle and may not operate as a transportation network company vehicle:

(a) A certificate of safety provided by a mechanic approved by the director in accordance with section 11 of this act;

(b) Valid vehicle registration and licensing;

(c) Vehicle properly equipped and in good condition as required in section 11 of this act;

(d) Valid primary automobile liability insurance as required under chapter 48.177 RCW; and

(e) Personal automobile liability insurance, as required by RCW 46.30.020.

(3) Upon receipt of a certification from an authorized representative of the transportation network company that a transportation network company vehicle has met all of the requirements established in this chapter, the transportation network company vehicle is deemed certified and eligible to provide transportation network company services. Certifications for transportation network company vehicles are valid for a term of one year from the date of transportation network company certification.

(4) Transportation network companies must provide to the director a list of vehicles for recertification within one month before the date on which each transportation network company vehicle's certification expires, on a form approved by the director. A vehicle shall not be recertified as a transportation network company vehicle and may not operate as a transportation network company vehicle unless it meets all conditions and is compliant with all requirements of this chapter. This list may be separate from the list required in subsection (1) of this section.

(5) Local law enforcement officers shall have access to the vehicle lists upon request to the department for the sole purpose of enforcing this chapter.

NEW SECTION. **Sec.**  A transportation network company shall provide the following to a passenger before the passenger enters a transportation network company vehicle for a prearranged ride:

(1) The transportation network company driver's first name;

(2) The make, model, and license plate number of the transportation network company driver's transportation network company vehicle;

(3) The applicable fare consistent with section 4 of this act; and

(4) Such requirements as may be determined by the director.

NEW SECTION. **Sec.**  Within twenty-four hours of a trip completion, a transportation network company must transmit an electronic receipt to the passenger on behalf of the transportation network company driver that lists:

(1) The date and time of the trip;

(2) The origin and destination of the trip;

(3) The total time and distance of the trip;

(4) The unique driver identification or unique receipt number for that trip or vehicle license plate number; and

(5) The total fare paid, itemizing all charges and fees.

NEW SECTION. **Sec.**  (1) A transportation network company must implement a zero tolerance policy regarding a transportation network company driver's activities while accessing the transportation network company's digital network. The zero tolerance policy must prohibit the use of or impairment by drugs or alcohol while a transportation network company driver is providing prearranged rides or is logged in to the transportation network company's digital network but is not providing prearranged rides. A copy of the zero tolerance policy must be provided by the transportation network company to each transportation network company driver.

(2)(a) A transportation network company must implement a nondiscrimination policy regarding a transportation network company driver's activities while accessing the transportation network company's digital network. The nondiscrimination policy must prohibit drivers from discriminating against passengers or potential passengers on the basis of geographic endpoints of the ride, race, color, national origin, religious belief or affiliation, sex, disability, age, or sexual orientation or gender identity.

(b) Notwithstanding (a) of this subsection, a transportation network company driver may decline a passenger request for a trip covering a distance of more than one hundred miles, or a trip that includes traveling over a mountain pass or on a ferry.

 (3) A transportation network company must provide notice of the zero tolerance and nondiscrimination policies on its web site, including procedures to report a complaint about a transportation network company driver whom a person reasonably suspects was under the influence of drugs or alcohol during the course of a trip or violated the nondiscrimination policy.

(4)(a) All transportation network companies and drivers must comply with all applicable laws regarding nondiscrimination against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(b) Transportation network companies and transportation network company drivers must comply with all applicable laws relating to the transportation of service animals.

(c) No additional charge may be imposed by transportation network companies or transportation network company drivers for providing services to persons with disabilities because of those disabilities.

(5)(a) Upon receipt of a complaint alleging a violation of the zero tolerance policy that involves criminal conduct, the transportation network company shall:

(i) Immediately suspend the transportation network company driver's ability to accept trip requests through the transportation network company's digital network;

(ii) Investigate the reported incident; and

(iii) Provide notification to the driver of the reason for the suspension. The suspension must last the duration of the transportation network company's investigation.

(b) If the transportation network company determines that the transportation network company driver violated the zero tolerance policy, the transportation network company must take appropriate action against the driver, including, at a minimum, informing the director and suspending the driver from the transportation network company's digital network until the transportation network company determines that the driver is compliant with the zero tolerance policy.

(c) The department shall develop and implement a process to provide notification of any information received under this subsection (5) to all licensed transportation network companies in this state.

(d) A transportation network company must maintain records relevant to its enforcement of the policies under this subsection (5) for a period of at least two years from the date that a passenger complaint is received by the transportation network company.

NEW SECTION. **Sec.**  (1) In addition to any applicable requirements and enforcement remedies in this chapter, the uniform regulation of business and professions act, chapter 18.235 RCW, governs unlicensed practices, issuance and denial of licenses, and discipline of licensees under this chapter. In considering enforcement action, the department may consider any offense committed in one or more local jurisdictions.

(2) The director may suspend, revoke, condition, or otherwise limit a transportation network company license on the department's own initiative or at the request of a local jurisdiction. The director may suspend a transportation network company's operations in a local jurisdiction for repeated violations of this chapter by a transportation network, or a violation of this chapter by a transportation network company that poses a substantial risk to public safety.

(3) The department or local law enforcement officer may suspend, revoke, condition, or otherwise limit a transportation network company driver's permit for repeated violations of this chapter by the transportation network driver or a violation of this chapter by a transportation network company driver that poses a substantial risk to public safety.

NEW SECTION. **Sec.**  (1) In addition to the unprofessional conduct described in RCW 18.235.130, the following conduct, acts, or conditions constitute unprofessional conduct:

(a) A transportation network company failing to:

(i) Comply with this chapter;

(ii) Remove a driver from the company's digital network after notification by the department or a local law enforcement officer that the driver has violated a law or rule or regulation that would make the driver ineligible to provide transportation network company services under this chapter; or

(iii) Upon request and appropriate legal process, as required, provide the following information to the department or local law enforcement officer investigating an allegation of a violation of this chapter by a transportation network company driver or transportation network company passenger including, but not limited to, trip specific details regarding origin and destination, date and time, length of trip by time and distance, global positioning system coordinates of route, driver identification, vehicle identification, passenger information and identification, and any information reported to the transportation network company regarding the alleged violation by a driver or passenger.

(b) For a transportation network company driver:

(i) Failing to comply with this chapter;

(ii) Soliciting or accepting a trip request to provide transportation network company services other than a trip request arranged through a transportation network company's digital network;

(iii) Allowing any other individual to use that driver's access to a transportation network company's digital network;

(iv) Withholding driver identification from a requesting department or local law enforcement officer;

(v) Withholding from the department or any local law enforcement officer any of the following while providing transportation network company services: Proof of registration, primary automobile insurance, or status as a transportation network company driver;

(vi) Failing to show proof of effective primary automobile insurance and a waybill upon request from the department or local law enforcement officer;

(vii) Failing to report collisions and arrests, charges, and convictions that would disqualify a driver from providing transportation network company services under this chapter to the transportation network company and department within twenty-four hours and prior to the driver providing further transportation network company services;

(viii) Providing transportation network company services or any other for hire services for more than fourteen hours in a twenty-four hour period;

(ix) Providing false information to a transportation network company regarding the driver or transportation network company vehicle;

(x) Not possessing a valid and effective transportation network company driver permit as required by this chapter;

(xi) Not possessing a valid vehicle certification as required by section 11 of this act;

(xii) Allowing another individual to use the transportation network company driver's sign in or identity to provide transportation network company services;

(xiii) Misrepresenting identity to passengers, potential passengers, the department, or a local law enforcement officer by means of a digital network;

(xiv) Violating the nondiscrimination policy;

(xv) Violating the zero tolerance policy;

(xvi) Providing transportation network company services in any manner other than through a transportation network company's digital network, including soliciting, accepting, and arranging services through street hails, cruising, or street solicitations;

(xvii) Withholding driver identification from the department or local law enforcement officer upon request.

(2) The requirements of this chapter, along with any penalties that may be assessed for violations of this chapter, apply to all transportation network companies, transportation network company drivers, and transportation network company vehicles, whether or not legally and validly licensed, permitted, or certified.

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

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

(2) Individual records of transportation network company drivers for at least three years after a transportation network company driver is approved to by a transportation network company to provide transportation network company services under this chapter.

NEW SECTION. **Sec.**  (1) For the sole purpose of verifying that a transportation network company is in compliance with the requirements of this chapter, the department, a local law enforcement agency for a city with a population of more than two hundred thousand, or local law enforcement agency for a county with a population of more than one million, may not more frequently than biannually review a sample of records that the transportation network company is required to maintain under this chapter. The sample of records may be chosen by the department or local law enforcement agency.

(2) In response to a complaint or incident involving allegations of criminal conduct, upon request and appropriate legal process, as required, the department or local law enforcement agency may inspect any of a transportation network company's records related to the complaint or incident at issue.

(3) Within ten calendar days of receiving a written request from the department or local law enforcement agency, a transportation network company must transmit requested records to the department or local law enforcement agency via a mutually agreed upon secure delivery method, which may include use of encryption security. Where the department or local law enforcement agency reasonably requests records within a shorter time, a transportation network company must make all reasonable attempts to comply with that request.

(4) If, after initial review of the submitted records, the department or local law enforcement agency has a reasonable basis to conclude that the transportation network company is not in compliance with any provision of this chapter or regulation, the department or local law enforcement agency may conduct a supplemental audit of records that it deems necessary and reasonable.

(5) If a department or local law enforcement agency audit is conducted by an agreed upon third party, the cost of the audit shall be borne and paid by the transportation network company that is under audit.

(6) Any record sample furnished to the department or local law enforcement agency for audit purposes may exclude information that would tend to identify specific passengers, except that passenger names and contact information shall be disclosed, if requested by the department or local law enforcement agency in writing and upon appropriate legal process if required, for investigations of crimes against drivers, crimes against passengers, or violations of the zero tolerance policy. Records provided pursuant to this subsection are exempt from disclosure under chapter 42.56 RCW.

NEW SECTION. **Sec.**  (1) Each prearranged ride provided by a transportation network company driver while on the transportation network company's digital network shall be assessed a per trip fee by the department, in an amount to be determined by the director, to cover the department's costs of administration and enforcement relating to this chapter as well as the costs of a local jurisdiction's enforcement of this chapter.

(2) The department, in consultation with local jurisdictions, may annually review the per trip fee imposed under subsection (1) of this section and increase or decrease the fee to support expenses incurred in carrying out the licensing, permitting, and regulatory activities of this chapter. In determining an adjustment to the fee, consideration shall include, but is not limited to, the number of new transportation network company licenses issued, the number of transportation network company rides provided, and the number of transportation network company drivers.

(3) Within thirty days of the end of each calendar quarter, a transportation network company must remit to the department the fees assessed under subsection (1) of this section and submit a summary, on a form to be approved by the director, the following: (a) The total amount of per trip fees collected by a transportation network company on behalf of affiliated transportation network drivers; (b) the total number of rides that originated within the incorporated boundaries of a municipality, or outside of the incorporated boundaries of a municipality and within the boundaries of a county of this state; and (c) for trips that originated in a municipality or unincorporated county, a report listing the percentage of the quarterly total amount of per trip fees from trips that originated in each municipality or unincorporated county during the reporting period.

(4) The department must retain such amount of the per trip fee collected under this section as is necessary to cover the expenses of the department.

(5) Within sixty days of the end of each calendar quarter, the department must distribute the remaining portion of the total per trip fees collected under this section less the amount retained under subsection (4) of this section to each municipality or county where a trip originated during the reporting period. The distribution to each municipality or county must be proportionate to the percentage of the quarterly total amount of per trip fees that originated in each municipality or county. The funds collected by each municipality or county under this subsection must be used to fund enforcement activities by the municipalities and counties relating to this chapter.

(6) If pursuant to section 29 of this act the department enters into a cooperative agreement with any county with a population more than one million to perform authorized duties related to granting, revoking, or suspending transportation network company licenses, transportation network company driver permits, or transportation network company vehicle certificates, the department may require a portion of the fee assessed in subsection (1) of this section, determined in consultation with such local jurisdiction, to be paid directly to the county performing the authorized duties.

(7) A transportation network company must determine whether each prearranged ride originated within the boundaries of a municipality or unincorporated portion of a county of this state.

(8) The department must deposit fees submitted to the department pursuant to this section in the transportation network company account created in section 24 of this act.

NEW SECTION. **Sec.**  (1) In addition to the per trip fee assessed under section 20 of this act, each prearranged ride provided by a transportation network company driver to a transportation network company rider that originates in a city with a population of two hundred thousand or more or in a county with a population of one million or more may be assessed a ten cent per trip fee to offset costs associated with improving transportation options for individuals with disabilities. The assessment for a trip that originates in both a city with a population of five hundred thousand or more and a county with a population of one million or more shall be a total of ten cents, which shall be remitted by a transportation network company to the city with a population of five hundred thousand or more.

(2)(a) The per trip fee collected under subsection (1) of this section shall be distributed by a city or county to provide funding for the improvement of transportation options for individuals with disabilities. Such funding may include, but is not limited to:

(i) Costs of transportation network company drivers associated with converting or purchasing a vehicle to be wheelchair accessible by ramp or lift for use via a transportation network company's digital network; and

(ii) Costs of transportation network companies associated with enabling or providing wheelchair accessible rides via a transportation network company's digital network, including a third-party with which a transportation network company may contract to provide such services.

(b) The remainder of any portion of the accessibility surcharge fee collected under subsection (1) of this section not distributed by a city or county in accordance with (a) of this subsection may be distributed to taxicab drivers or taxicab owners to offset costs associated with converting or purchasing a vehicle to be used as a taxicab that is fully wheelchair accessible by ramp or lift or costs to provide taxicab rides to riders using wheelchairs.

(c) Distribution of funds under this section shall reflect that the primary purpose of the accessibility per trip fee is to incentivize transportation network companies and transportation network company drivers to improve access to on demand wheelchair accessible transportation options.

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

(4) The department may require that transportation network company drivers of wheelchair accessible vehicles undergo department-approved training for the safe and secure transportation of passengers who use wheelchairs prior to providing rides to passengers who use wheelchairs.

(5) All wheelchair accessible vehicles used to provide prearranged rides shall conform to Americans with disabilities act standards, if applicable.

NEW SECTION. **Sec.**  (1) A transportation network company driver, transportation network company, any of the company's agents, or any person acting on behalf of a transportation network company may not take adverse action against any passenger as a reprisal for:

(a) Filing a complaint with the transportation network company, the department, or the attorney general, that the driver or transportation network company engaged in conduct that the passenger reasonably believes violates this chapter;

(b) Seeking information about the passenger's rights under this chapter or informed others about their rights under this chapter; or

(c) Exercising rights protected by this chapter.

(2) For purposes of this section, "adverse action" includes revoking, denying, or otherwise limiting access to the digital network or transportation network company services.

NEW SECTION. **Sec.**  (1) The attorney general and the department must each maintain a toll-free number for complaints from passengers or former passengers related to this chapter and maintain a web site to inform passengers of their rights under this chapter.

(2) The transportation network company must maintain data regarding passenger complaints and the disposition of the complaint for a period of at least two years from the date that a passenger complaint is received by the transportation network company.

NEW SECTION. **Sec.**  The transportation network company account is created in the custody of the state treasurer. All fees collected by the department under section 20 of this act must be deposited into the account. Expenditures from the account may be used to carry out licensing, permitting, and regulatory activities of this chapter. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

**Sec.**  RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s 4, and 2018 c 127 s 6 are each reenacted and amended to read as follows:

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

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

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

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

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the transportation network company account, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, ((~~[the]~~)) the public employees' and retirees' insurance account, ((~~[the]~~)) the school employees' insurance account, and the radiation perpetual maintenance fund.

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

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

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

NEW SECTION. **Sec.**  Transportation network companies and transportation network drivers must meet the financial responsibility requirements applicable to commercial transportation services set forth in RCW 48.177.010.

NEW SECTION. **Sec.**  The director is empowered to make and enforce rules, including the setting of fees, as may be consistent with and necessary to carry out the provisions of this chapter.

NEW SECTION. **Sec.**  (1) The state of Washington occupies and preempts the regulation of transportation network services within the boundaries of the state as explicitly set forth in this chapter. Local laws and ordinances that are inconsistent with, more restrictive than, or exceed the requirements explicitly set forth in this chapter shall not be enacted and are hereby preempted and repealed, regardless of the code, charter, or home rule status of such political subdivision.

(2) The state preempts the following fields of regulation of transportation network companies, transportation network drivers, and transportation network company vehicles:

(a) Licensing for transportation network companies and permits for transportation network drivers;

(b) All requirements for and processing of applications, certifications, examinations, and background checks for transportation network drivers and transportation network company vehicles;

(c) Establishing rate, entry, and operational requirements for transportation network companies within the boundaries of this state, except for transportation network companies operating exclusively within one county of this state;

(d) Fees, auditing, and reporting as required under sections 6, 19, 20, and 21 of this act; and

(e) All other activities and requirements explicitly set forth in this chapter.

(3) Nothing in this chapter limits the authority of local jurisdictions of this state to:

(a) Regulate the routes and operations of transportation network company vehicles including, but not limited to, restricting access to airports, stadiums, and large public events as defined by local rule;

(b) Impose requirements upon transportation network companies, transportation network drivers, and transportation network company vehicles within local jurisdictions that are generally applicable to all businesses; and

(c) Enact and enforce ordinances related to traffic flow, traffic patterns, roadways, or the public right-of-way.

(4) Notwithstanding any other provision of law, any public entity operating a commercial airport facility may fully regulate all transportation network company activities related to the provision of transportation network company services at the airport facility or on airport facility property including, but not limited to, rate, entry, and operational requirements and the enforcement of the public entity's rules and regulations; provided, however, that the state maintains the authority as set forth in sections 3, 7, 8, 11(1)(a) and (c), (3), (4), 13, 14, and 15 of this act. This chapter does not limit the authority of a public entity operating an airport facility from requiring a transportation network company licensed under this chapter to enter into a contract or agreement governing the operations of the transportation network company on airport facility property.

NEW SECTION. **Sec.**  (1) A municipality, county, or port district may enter into cooperative agreements with any other municipality, county, or port district to perform authorized duties or to jointly enforce this act.

(2) The director may enter into a cooperative agreement with a county with a population more than one million to perform the following authorized administrative duties: Granting, revoking, or suspending transportation network company licenses, transportation network company driver permits, or transportation network company vehicle certificates.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The conviction of an adult for a crime that is a sex offense as defined in RCW 9.94A.030.

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

When used in this chapter:

(1) The term "for hire vehicle" includes all vehicles used for the transportation of passengers for compensation, except auto stages, school buses operating exclusively under a contract to a school district, ride-sharing vehicles under chapter 46.74 RCW, limousine carriers licensed under chapter 46.72A RCW, vehicles used by nonprofit transportation providers for ((~~elderly or handicapped~~)) persons who are elderly or disabled and their attendants under chapter 81.66 RCW, vehicles used by auto transportation companies licensed under chapter 81.68 RCW, vehicles used to provide courtesy transportation at no charge to and from parking lots, hotels, and rental offices, ((~~and~~)) vehicles used by charter party carriers of passengers and excursion service carriers licensed under chapter 81.70 RCW, and transportation network company vehicles under chapter 46.--- RCW (the new chapter created in section 32 of this act);

(2) The term "for hire operator" means and includes any person, concern, or entity engaged in the transportation of passengers for compensation in for hire vehicles, except transportation network companies and transportation network company drivers under chapter 46.--- RCW (the new chapter created in section 32 of this act).

NEW SECTION. **Sec.**  Sections 1 through 24 and 26 through 29 of this act constitute a new chapter in Title 46 RCW.

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