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SENATE BILL 6500

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State of Washington

65th Legislature

2018 Regular Session

By Senators Saldaña, Fortunato, and Billig

1 AN ACT Relating to transportation network companies; amending RCW  
2 46.72.010, 46.72.030, 43.79A.040, 46.72.040, 48.177.010, 46.72.110,  
3 and 46.72.160; adding new sections to chapter 46.72 RCW; recodifying  
4 RCW 48.177.010; repealing RCW 48.177.005 and 46.72.039; and  
5 prescribing penalties.

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

7 **Sec. 1.** RCW 46.72.010 and 1996 c 87 s 18 are each amended to  
8 read as follows:

9 When used in this chapter:

10 (1) (~~The term~~) "For hire vehicle" includes all vehicles used  
11 for the transportation of passengers for compensation, except auto  
12 stages, school buses operating exclusively under a contract to a  
13 school district, ride-sharing vehicles under chapter 46.74 RCW,  
14 limousine carriers licensed under chapter 46.72A RCW, vehicles used  
15 by nonprofit transportation providers for elderly or handicapped  
16 persons and their attendants under chapter 81.66 RCW, vehicles used  
17 by auto transportation companies licensed under chapter 81.68 RCW,  
18 vehicles used to provide courtesy transportation at no charge to and  
19 from parking lots, hotels, and rental offices, and vehicles used by  
20 charter party carriers of passengers and excursion service carriers  
21 licensed under chapter 81.70 RCW;

1           (2) (~~The term~~) "For hire operator" means and includes any  
2 person, concern, or entity engaged in the transportation of  
3 passengers for compensation in for hire vehicles. "For hire operator"  
4 includes, but is not limited to, a natural person driver or owner of  
5 a for hire vehicle, or a transportation network company.

6           (3) "Active" means a transportation network company driver who  
7 has been certified by a transportation network company, has a valid  
8 for hire operator permit, and is eligible to provide transportation  
9 network company services.

10          (4) "Compensation" means remuneration or anything of economic  
11 value that is provided, promised, or donated primarily in exchange  
12 for services rendered. "Compensation" includes, but is not limited  
13 to, voluntary donations, lease agreements, or fee sharing agreements  
14 between a transportation network company, or other for hire vehicle  
15 company, and an affiliated driver, as well as advertisement of a  
16 taxicab association or transportation network company services.

17          (5) "Complaint" or "complaints" means an allegation, made by any  
18 person and received by the department, a local law enforcement  
19 officer, or the attorney general, that a for hire operator has  
20 violated a provision of this chapter or a rule or has otherwise  
21 behaved in a manner that has caused the person concern. A digital  
22 network rating is not an allegation.

23          (6) "Digital network" means any online-enabled technology  
24 application service, web site, or system, offered or used by a for  
25 hire operator, that enables the prearrangement of passenger rides for  
26 compensation.

27          (7) "Driver list" means a weekly list of applicant drivers  
28 meeting all requirements in this chapter.

29          (8) "Fee" or "fees" means a charge or charges demanded from a for  
30 hire operator by the department. A fee must be paid in full and upon  
31 receipt, the department must issue the appropriate certificate,  
32 except that transportation network companies may pay fees on an  
33 ongoing quarterly basis through per ride surcharges.

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

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

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

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

5 (c) Whether or not the trip or a portion thereof was shared by  
6 another passenger; and

7 (d) Whether the trip was declined by the driver or canceled by  
8 the passenger.

9 (11) "Local law enforcement officer" or "local law enforcement  
10 agency" means any person authorized by a city, county, or other  
11 political subdivision to carry out enforcement activities under this  
12 chapter including, but not limited to, local police officers and  
13 regulatory inspectors.

14 (12) "Prearranged" or "prearrangement" means a ride in a for hire  
15 vehicle that is scheduled and confirmed prior to passenger pick-up.  
16 The ride may be scheduled by phone, radio, computer, or digital  
17 network.

18 (13) "Transportation network company" means a corporation,  
19 partnership, sole proprietorship, or other entity that is required to  
20 be permitted under this chapter, operates in this state, and  
21 exclusively uses a digital network to connect passengers with  
22 transportation network company drivers.

23 (14) "Transportation network company driver" means a natural  
24 person who:

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

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

31 (15) "Transportation network company services" means services  
32 provided by a transportation network company driver while logged in  
33 to a transportation network company's digital network or providing a  
34 prearranged ride. The term does not include local public passenger  
35 transportation service as described in RCW 35.58.250 or services  
36 provided either directly or under contract with a political  
37 subdivision or other entity exempt from federal income tax under 26  
38 U.S.C. Sec. 115 of the federal internal revenue code of 1986, as  
39 amended.

1       (16) "Transportation network company vehicle" is a type of for  
2 hire vehicle and means a passenger vehicle that is owned, leased, or  
3 otherwise authorized for use by the transportation network company  
4 driver and is used to provide a prearranged ride exclusively via a  
5 digital network to a passenger for compensation.

6       **Sec. 2.** RCW 46.72.030 and 1992 c 114 s 2 are each amended to  
7 read as follows:

8       Application for a permit shall be forwarded to the director with  
9 a fee, except that transportation network company drivers must be  
10 certified by a transportation network company before issuance of the  
11 permit, as described in section 3 of this act. Upon receipt of such  
12 application and fee, the director shall, if such application be in  
13 proper form, issue a permit authorizing the applicant to operate for  
14 hire vehicles upon the highways of this state until such owner ceases  
15 to do business as such, or until the permit is suspended or revoked.  
16 Such permit shall be displayed in a conspicuous place in the  
17 principal place of business of the owner.

18       NEW SECTION.   **Sec. 3.** (1) Transportation network companies must  
19 certify to the department that all affiliated transportation network  
20 company drivers have met all certification and operating requirements  
21 in this chapter.

22       (2) Transportation network companies must provide a driver list  
23 certified by the affiliated and permitted transportation network  
24 company as meeting all requirements in this chapter, on a form  
25 approved by the director. The driver list must contain the following:

- 26       (a) Driver's legal name;
- 27       (b) Driver's date of birth;
- 28       (c) Driver's license number;
- 29       (d) Current certification date;
- 30       (e) Whether the driver is active or not;
- 31       (f) For the vehicle(s) used by the transportation network company  
32 driver to provide transportation network company services:
  - 33       (i) Vehicle make, model, and year;
  - 34       (ii) Vehicle license plate number; and
  - 35       (iii) Vehicle identification number.

36       Transportation network company drivers' names, dates of birth,  
37 and driver's license numbers provided pursuant to this section are  
38 exempt from disclosure under chapter 42.56 RCW. All other information

1 on the driver list and the aggregate number of transportation network  
2 company drivers and transportation network company vehicles are  
3 subject to disclosure.

4 (3) Drivers not meeting all requirements may not be certified as  
5 a permitted transportation network company driver and may not operate  
6 as a transportation network company driver. Transportation network  
7 company driver requirements include:

8 (a) Review of criminal and driver background checks pursuant to  
9 section 5 of this act;

10 (b) Valid primary automobile liability insurance as required by  
11 this chapter for each vehicle used to provide transportation network  
12 company services;

13 (c) A valid driver's license;

14 (d) A valid transportation network company driver business  
15 license number; and

16 (e) Successful completion of safety and customer service driver  
17 training, if required by a local law enforcement officer.

18 (4) Driver lists may be submitted electronically to the  
19 department, either directly or through an interlocal agreement with a  
20 city or county. Electronic submission of the driver list is  
21 considered receipt of certification from the transportation network  
22 company. Upon receipt of a certification from an authorized  
23 representative of the transportation network company that a  
24 transportation network company driver has met all of the requirements  
25 established in this chapter, the transportation network company  
26 driver is deemed permitted by the department and eligible to provide  
27 transportation network company services. A receipt of the driver list  
28 may be issued to the transportation network company from the  
29 department, city, or county. For hire permits for transportation  
30 network company drivers are valid for a term of one year from the  
31 date of transportation network company certification.

32 (5) In addition to the driver list provided in subsection (2) of  
33 this section, transportation network companies must provide weekly a  
34 list of applicant drivers for recertification to the director within  
35 one month before the transportation network company driver's  
36 certification expiration, on a form approved by the director.  
37 Applicant drivers must meet all conditions and be consistent with  
38 transportation network company driver certification requirements  
39 pursuant to this chapter. Drivers not meeting all such conditions may

1 not be re-permitted as transportation network company drivers and may  
2 not operate as transportation network company drivers.

3 (6) Local law enforcement officers may have access to the weekly  
4 driver lists upon request to the department.

5 NEW SECTION. **Sec. 4.** (1) Transportation network companies must  
6 certify to the department that all affiliated transportation network  
7 company vehicles have met all certification and operating  
8 requirements in this chapter.

9 (2) Transportation network companies must provide daily a list of  
10 applicant vehicles certified by the affiliated and permitted  
11 transportation network company as meeting all requirements in this  
12 chapter, on a form approved by the director. The vehicle list shall  
13 contain the following:

14 (a) Vehicle make, model, and year;

15 (b) Vehicle license plate number; and

16 (c) Vehicle identification number.

17 (3) Vehicles not meeting the following requirements may not be  
18 certified as a permitted transportation network company vehicle and  
19 may not operate as a transportation network company vehicle:

20 (a) Vehicle ASE safety inspection;

21 (b) Valid vehicle registration and licensing;

22 (c) Vehicle properly equipped and in good condition as required  
23 in section 6 of this act;

24 (d) Valid primary automobile liability insurance as required  
25 under this chapter; and

26 (e) Personal automobile liability insurance, as required by RCW  
27 46.30.020.

28 (4) Electronic submission of the vehicle information is  
29 considered receipt of certification from the transportation network  
30 company. Upon receipt of a certification from an authorized  
31 representative of the transportation network company that a  
32 transportation network company vehicle has met all of the  
33 requirements established in this chapter, the transportation network  
34 company vehicle is deemed certified and eligible to provide  
35 transportation network company services. Certifications for  
36 transportation network company vehicles are valid for a term of one  
37 year from the date of transportation network company certification.

38 (5) Transportation network companies must provide a list of  
39 applicant vehicles for recertification to the director within one

1 month before the transportation network company vehicle's  
2 certification expiration, on a form approved by the director.  
3 Applicant vehicles must meet all conditions and be consistent with  
4 transportation network company vehicle certification requirements  
5 pursuant to this chapter. Vehicles not meeting the conditions may not  
6 be recertified as a transportation network company vehicle and may  
7 not operate as a transportation network company vehicle.

8 (6) Local law enforcement officers may have access to the weekly  
9 vehicle lists upon request to the department.

10 NEW SECTION. **Sec. 5.** (1) Before being issued a for hire  
11 operator permit by the department and before a transportation network  
12 company may allow an individual to accept trip requests as a  
13 transportation network company driver through a transportation  
14 network company's digital network, the individual must:

15 (a) Be fingerprinted for Washington state patrol and federal  
16 bureau of investigation criminal background checks by the department,  
17 or by a local law enforcement agency pursuant to RCW 35.21.920, and  
18 submit to a multistate driving history search;

19 (b) Consent to the results of the background checks and driving  
20 history to be provided to the department and local law enforcement  
21 officers.

22 (2) A transportation network company may not permit an individual  
23 to act as a transportation network company driver on its digital  
24 network who:

25 (a) Has had more than three moving violations in the prior five-  
26 year period, or one of the following major violations in the prior  
27 five-year period:

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

29 (ii) Reckless driving pursuant to RCW 46.61.500;

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

32 (iv) Negligent driving in the first degree pursuant to RCW  
33 46.61.5249;

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

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

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

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

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

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

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

7 (d) Does not possess proof of automobile liability insurance for  
8 the motor vehicle or vehicles used to provide prearranged rides;

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

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

13 (3) The director may at any time require any transportation  
14 network company driver to be medically certified and examined by a  
15 physician licensed to practice in this state under chapter 18.71 RCW  
16 if it appears to the director that the driver has become physically  
17 or mentally unfit to be a for hire operator. The scope of the  
18 certificate form and the examination shall be prescribed by the  
19 director by rule. A United States department of transportation  
20 medical certification meets the requirements of subsection (2)(f) of  
21 this section.

22 (4) Subsection (2)(a) and (b) of this section apply to any  
23 conviction of any offense committed in another jurisdiction that  
24 includes all of the elements of any of the offenses in subsection  
25 (2)(a) and (b) of this section.

26 (5) The director may deny a permit to an individual to act as a  
27 transportation network company driver for a transportation network  
28 company who has certified the individual meets all requirements, if  
29 the individual:

30 (a) Has had one of the following major violations in the prior  
31 five-year period:

32 (i) A crime involving physical violence; or

33 (ii) A crime reasonably related to the individual's honesty and  
34 integrity including, but not limited to, hit-and-run, fraud, larceny,  
35 burglary, or extortion.

36 (b) When determining whether to deny a permit to an individual to  
37 act as a transportation network company driver under this subsection,  
38 the director may consider the following factors: The nature and  
39 severity of the offense, the number and type of convictions involving  
40 physical violence and/or related to the individual's honesty and



1 integrity, time elapsed since the conviction, and any information  
2 related to the individual's rehabilitation or other mitigating  
3 factors, if available.

4 (c) The director must immediately inform the applicant and the  
5 transportation network company or companies affiliated with the  
6 applicant of a denial of the for hire operator permit. The director  
7 must provide the applicant an opportunity to request a hearing to  
8 respond to the notice and introduce any evidence to refute or  
9 mitigate the denial. If the applicant requests a hearing, the  
10 applicant may continue to provide transportation network company  
11 services pending a final hearing decision by the director.

12 NEW SECTION. **Sec. 6.** (1) A transportation network company must  
13 require that any motor vehicle that a transportation network company  
14 driver intends to use to provide prearranged rides:

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

17 (b) Meets emissions requirements for motor vehicles; and

18 (c) Has received an annual safety inspection by a third party,  
19 approved by the department, that includes the following components:

20 (i) Foot brakes;

21 (ii) Parking brakes;

22 (iii) Steering mechanism;

23 (iv) Windshield;

24 (v) Rear window and other glass;

25 (vi) Windshield wipers;

26 (vii) Headlights;

27 (viii) Taillights;

28 (ix) Brake lights;

29 (x) Front seat adjustment mechanism;

30 (xi) Doors;

31 (xii) Turn signal lights;

32 (xiii) Horn;

33 (xiv) Speedometer;

34 (xv) Bumpers;

35 (xvi) Muffler and exhaust system;

36 (xvii) Tires, including tread depth;

37 (xviii) Interior and exterior mirrors; and

38 (xix) Safety belts.

1 (2) When providing transportation network company services, each  
2 transportation network company vehicle must display trade dress  
3 visible to the passenger from outside the vehicle.

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

9 NEW SECTION. **Sec. 7.** A transportation network company's digital  
10 network or web site must display the name and photograph of the  
11 transportation network company driver and the license plate number of  
12 the transportation network company vehicle before the passenger  
13 enters the vehicle.

14 NEW SECTION. **Sec. 8.** Within one hour of a trip completion, a  
15 transportation network company must transmit an electronic receipt to  
16 the passenger on behalf of the transportation network company driver  
17 that lists:

- 18 (1) The date and time of the trip;
- 19 (2) The origin and destination of the trip;
- 20 (3) The total time and distance of the trip;
- 21 (4) Driver and vehicle identification; and
- 22 (5) The total fare paid, itemizing all charges and fees.

23 NEW SECTION. **Sec. 9.** (1) A transportation network company must  
24 implement a zero tolerance policy and nondiscrimination policy  
25 regarding a transportation network company driver's activities while  
26 accessing the transportation network company's digital network. The  
27 zero tolerance policy must address the use of drugs or alcohol while  
28 a transportation network company driver is providing prearranged  
29 rides or is logged in to the transportation network company's digital  
30 network but is not providing prearranged rides. The nondiscrimination  
31 policy must prohibit drivers from discriminating against passengers  
32 or potential passengers on the basis of geographic endpoints of the  
33 ride, race, color, national origin, religious belief or affiliation,  
34 sex, disability, age, or sexual orientation/identity. Copies of the  
35 zero tolerance and nondiscrimination policies must be provided by the  
36 transportation network company to each transportation network company  
37 driver.

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

7 (3) Upon receipt of a complaint alleging a violation of the zero  
8 tolerance or nondiscrimination policy, the transportation network  
9 company shall: Inform the director and local law enforcement  
10 officers; immediately suspend the transportation network company  
11 driver's ability to accept trip requests through the transportation  
12 network company's digital network; and investigate the reported  
13 incident. The suspension must last the duration of the transportation  
14 network company's investigation. If the transportation network  
15 company determines that the transportation network company driver  
16 violated the zero tolerance or nondiscrimination policy, the  
17 transportation network company must take appropriate action against  
18 the driver, including, at a minimum, suspending the driver from the  
19 transportation network company's digital network until the  
20 transportation network company determines that the driver is  
21 compliant with the zero tolerance and nondiscrimination policy.

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

26 (5) Each transportation network company driver is subject to  
27 periodic random alcohol and drug testing, as may be ordered by the  
28 director.

29 NEW SECTION. **Sec. 10.** A transportation network company driver  
30 may not:

31 (1) Solicit or accept a trip request to provide transportation  
32 network company services other than a trip request arranged through a  
33 transportation network company's digital network;

34 (2) Provide transportation network company services or any other  
35 for hire services for more than fourteen hours in a twenty-four-hour  
36 period;

37 (3) Allow any other individual to use that driver's access to a  
38 transportation network company's digital network;

1 (4) Withhold driver identification from a requesting department  
2 or local law enforcement officer; or

3 (5) Withhold from the department or local law enforcement officer  
4 proof of registration, primary automobile insurance, and status as a  
5 transportation network company driver while providing transportation  
6 network company services.

7 NEW SECTION. **Sec. 11.** (1) Upon request from the department or  
8 local law enforcement officer, a transportation network company  
9 driver must show proof of effective primary automobile insurance and  
10 a waybill.

11 (2) If, after a transportation network company has permitted an  
12 individual to act as a transportation network company driver on its  
13 digital network, the transportation network company is notified by  
14 law enforcement, a local law enforcement officer, or a government  
15 entity that a transportation network company driver has violated a  
16 law or rule or regulation related to the provision of transportation  
17 network company services, the transportation network company must  
18 suspend the transportation network company driver's ability to accept  
19 trip requests through the transportation network company's digital  
20 network immediately unless otherwise stated in this chapter and  
21 investigate the reported incident. The suspension must last the  
22 duration of the investigation. If the driver is determined to have  
23 violated a law or rule or regulation that would make him or her  
24 ineligible to be a transportation network company driver, the  
25 transportation network company driver must remain suspended from  
26 accepting trip requests.

27 (3)(a) In response to a specific complaint alleging criminal  
28 conduct against any transportation network company driver or  
29 passenger, a transportation network company must, upon request,  
30 provide information to a requesting law enforcement officer to  
31 investigate the complaint, as determined by the requesting law  
32 enforcement officer, whether the department or a local law  
33 enforcement agency.

34 (b) Transportation network companies must provide information  
35 related to an alleged criminal incident including, but not limited  
36 to, trip specific details regarding origin and destination, length of  
37 trip, global positioning system coordinates of route, driver  
38 identification and, if applicable, passenger identification, and any

1 information reported to the transportation network company regarding  
2 the alleged criminal activity by a driver or passenger.

3 (4) A transportation network company driver must report arrests,  
4 charges, convictions, and crashes to the transportation network  
5 company and department within twenty-four hours. Delay, absent good  
6 cause, may result in the suspension or revocation of the  
7 transportation network company driver's for hire operator permit  
8 and/or the issuance of a civil infraction.

9 NEW SECTION. **Sec. 12.** A violation of this section by a  
10 transportation network company driver providing transportation  
11 network company services is a civil infraction. Local law enforcement  
12 agencies may set additional amounts for civil infractions within  
13 their jurisdiction. State or local law enforcement officers may issue  
14 a citation for any such violation. If a driver is cited under this  
15 section, every transportation network company that allows the driver  
16 to provide transportation network company services on its digital  
17 network is subject to a fine, the amount of which is set by the  
18 director or local law enforcement agencies as appropriate. Violations  
19 include:

20 (1) Not having a valid and effective for hire operator permit as  
21 required by this chapter;

22 (2) Not having a valid and effective vehicle certification as  
23 required by this chapter;

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

27 (4) Misrepresenting identity to passengers or potential  
28 passengers by means of a digital network;

29 (5) Violating the nondiscrimination policy;

30 (6) Violating the zero tolerance policy;

31 (7) Soliciting, accepting, arranging, or providing transportation  
32 network company services in any manner other than through a  
33 transportation network company's digital network, including through  
34 street hails, cruising, or street solicitations;

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

38 (9) Withholding driver identification from the department or  
39 local law enforcement officer upon request; or

1 (10) Withholding from the department or any local law enforcement  
2 officer any of the following while providing transportation network  
3 company services: Proof of registration; primary automobile  
4 insurance; or status as a transportation network company driver.

5 NEW SECTION. **Sec. 13.** (1) If the department or local law  
6 enforcement officer determines that a transportation network company  
7 or transportation network company driver is in violation of this  
8 chapter or any rule or regulation adopted under this chapter, the  
9 department or local law enforcement officer must issue a notice of  
10 violation and inform the transportation network company or  
11 transportation network company driver that it is entitled to a  
12 hearing to respond to the notice and introduce any evidence to refute  
13 or mitigate the violation. Hearings to contest monetary penalties  
14 issued by local law enforcement officers may be held by local  
15 administrative bodies. The decision of the department or local law  
16 enforcement officer is final if a timely appeal is not filed. If the  
17 violation is affirmed and all appeals have been exhausted, the  
18 decision is final. The department or local law enforcement officer  
19 must issue a monetary penalty pursuant to director rule; the  
20 department or local law enforcement officer may additionally suspend,  
21 revoke, condition, or otherwise limit a transportation network  
22 company or for hire operator permit in accordance with this section.

23 (2) Local law enforcement officers must report all violations  
24 committed by transportation network companies and transportation  
25 network company drivers, and recommend the suspension, revocation,  
26 condition, or limitation of transportation network companies and  
27 transportation network company drivers to the department on a  
28 quarterly basis. Recommendations by local law enforcement officers  
29 for suspensions and revocations are based on the schedule in  
30 subsection (3) of this section. Within ten calendar days of receipt  
31 of the local law enforcement officer's recommendations, the  
32 department must impose the recommended action unless the department  
33 responds in writing to the local law enforcement officer explaining  
34 why the department disagrees with the local law enforcement officer's  
35 recommendation(s). The number and severity of violations are be  
36 considered by the department when determining whether to suspend or  
37 revoke the permit of a transportation network company. Except as  
38 otherwise provided in this chapter, the monetary penalties for  
39 transportation network company drivers are adopted by department

1 rule. In determining the amount of the monetary penalty against a  
 2 transportation network company, the department or local law  
 3 enforcement officer may consider, without limitation, the size of the  
 4 transportation network company based on a transportation network  
 5 company's intrastate operating revenues for the previous calendar  
 6 year, the number of trips in the jurisdiction, the gravity of the  
 7 violation, the degree to which the transportation network company  
 8 exercised good faith in attempting to achieve compliance or to remedy  
 9 noncompliance, and previous violations by the transportation network  
 10 company cited by the department or local law enforcement officer. Any  
 11 deceptive, manipulative, or coordinated practice used by a  
 12 transportation network company to evade authorities or deceive  
 13 passengers or drivers, including through the use of a digital network  
 14 or the system supporting the digital network, is a violation of this  
 15 chapter.

16 (3) Suspension and revocation schedule:

17 <b>Violation</b>	18 <b>30-day suspension</b>	<b>60-day suspension</b>	<b>6-month suspension</b>	<b>Summary suspension</b>	<b>Revocation</b>
19 <b>Class A</b>					
20 <b>Class B</b>					
21 <b>Class C</b>					
22 <b>Class D</b>					
23 <b>Unclassified</b>					

24 (4) Discretion to suspend a transportation network company's  
 25 operations in local jurisdictions, consistent with subsection (3) of  
 26 this section, rests with the director and the local law enforcement  
 27 agency for a city with a population of more than five hundred  
 28 thousand or a county with a population of more than one million.

29 (5) It is not a defense to any regulatory action or penalty  
 30 imposition to assert that the department or local law enforcement  
 31 officer cannot act because a for hire operator does not possess a  
 32 valid permit.

33 (6) It is not a defense to any regulatory action or penalty  
 34 imposition to assert that the for hire operator is a department  
 35 contractor.

36 (7) The requirements of this chapter, along with any penalties  
 37 that may be assessed for violations of this chapter, apply to all for  
 38 hire operators, whether or not legally and validly permitted.

1 (8) Within sixty days of the effective date of this section, the  
2 department must issue rules and regulations to establish a civil  
3 monetary schedule for penalties under this chapter, and a process for  
4 administrative appeal of any penalty, denial, suspension, or  
5 revocation imposed by the department in accordance with this section.  
6 A local law enforcement officer may issue rules and regulations or  
7 use existing rules to establish a process for administrative appeal  
8 of any penalty.

9 (9) Any party aggrieved by a final order or decision of the  
10 department or local administrative body pursuant to this section may  
11 institute proceedings for judicial review in the superior court  
12 within thirty days after receipt of the order or decision. The  
13 commencement of such proceedings do not, unless specifically ordered  
14 by the court, operate as a stay of the department's or local  
15 administrative body's order or decision.

16 NEW SECTION. **Sec. 14.** A transportation network company must  
17 maintain the following records:

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

20 (2) Individual records of transportation network company drivers  
21 at least until the end of the calendar year marking the three-year  
22 anniversary of the date on which a transportation network company  
23 driver's relationship with the transportation network company has  
24 ended.

25 NEW SECTION. **Sec. 15.** (1) For the sole purpose of verifying  
26 that a transportation network company is in compliance with the  
27 requirements of this chapter and no more than quarterly per year, the  
28 department, or the local law enforcement agency for a city with a  
29 population of more than five hundred thousand or a county with a  
30 population of more than one million, may review a sample of records  
31 that the transportation network company is required to maintain under  
32 this chapter. The sample of records may be chosen by the department  
33 or local law enforcement agency.

34 (2) In response to a complaint or incident, the department or  
35 local law enforcement agency may inspect any of a transportation  
36 network company's records related to the complaint or incident at  
37 issue. Audits of information related to particular complaints or  
38 incidents are not included in the calculation of quarterly audits.



1 (3) Within ten calendar days of receiving a written request from  
2 the department or local law enforcement agency, a transportation  
3 network company must transmit requested records to the department or  
4 local law enforcement agency via a secure delivery method, which may  
5 include use of encryption security.

6 (4) If, after initial review of the submitted records, the  
7 department or local law enforcement agency has a reasonable basis to  
8 conclude that the transportation network company is not in compliance  
9 with any provision of this chapter or regulation, the department or  
10 local law enforcement agency may conduct a supplemental audit of  
11 records that it deems necessary and reasonable. Supplemental audits  
12 are not included in the calculation of quarterly audits.

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

17 (6) Noncompliance with this section constitutes cause for the  
18 department to suspend the transportation network company permit,  
19 consistent with section 13 of this act.

20 (7) Any record sample furnished to the department or local law  
21 enforcement agency for audit purposes may exclude information that  
22 would tend to identify specific passengers, except that passenger  
23 names may be needed for crimes against drivers.

24 NEW SECTION. **Sec. 16.** The permit fees for transportation  
25 network companies, drivers, and vehicles are as follows:

26	Transportation network	Per ride surcharge for every
27	companies' application	ride provided by a
28	fee for for hire permit	transportation network
29		company driver
30	For hire operator permit	Per ride surcharge for every
31		ride provided by a
32		transportation network
33		company driver
34	Vehicle certificate	Per ride surcharge for every
35		ride provided by a
36		transportation network
37		company driver

1	Vehicle certificate	Per ride surcharge for every
2	renewal	ride provided by a
3		transportation network
4		company driver
5	Change of vehicle	Per ride surcharge for every
6	certificate	ride provided by a
7		transportation network
8		company driver
9	Duplicate vehicle	Per ride surcharge for every
10	certificate	ride provided by a
11		transportation network
12		company driver

13 No vehicle certificate fee is charged for a name or address  
14 change, unless the change involves new ownership of the business or  
15 the vehicle.

16 NEW SECTION. **Sec. 17.** The vehicle registration for a  
17 transportation network company vehicle is not required to have the  
18 use class recorded as either "CAB" or "F/H."

19 NEW SECTION. **Sec. 18.** (1)(a) Each prearranged ride provided by  
20 a transportation network company driver while on the transportation  
21 network company's digital network must be assessed a ten cent per  
22 trip passenger surcharge fee to cover the costs of enforcement and  
23 regulation of state transportation network company licensing and to  
24 be distributed to municipalities or counties of this state.

25 (b) If independently imposing the fee under subsection (7) of  
26 this section, the department or local law enforcement agency may  
27 review the per trip surcharge fee imposed under (a) of this  
28 subsection not more frequently than annually, and increase the fee by  
29 rule to cover costs related to the continuing administration and  
30 enforcement of this chapter by the department, and by local law  
31 enforcement agencies as permitted under this chapter, provided that  
32 any increase is limited to the extent the fee does not cover costs.  
33 In considering an adjustment to the surcharge, the department may  
34 consider the number of new transportation network company licenses  
35 issued, the number of transportation network company prearranged  
36 rides, and information provided by local agencies regarding  
37 enforcement costs.

1 (2) Using geographic information system data, a transportation  
2 network company must determine whether each prearranged ride  
3 originated within the incorporated boundaries of a municipality, or  
4 outside of the incorporated boundaries of a municipality and within  
5 the boundaries of a county of this state.

6 (3) The surcharge fee assessed under subsection (1) of this  
7 section and the total number of originating trips must be remitted  
8 directly by the transportation network company to each city with a  
9 population of more than five hundred thousand or a county with a  
10 population of more than one million, within thirty days of the end of  
11 each calendar quarter, less the amount necessary to cover the  
12 expenses borne by the department derived from the regulation and  
13 permitting of transportation network companies and transportation  
14 network company drivers. In lieu of deducting the department's  
15 regulatory and permitting expenses, the city and county may reimburse  
16 the department within thirty days of an invoice documenting the  
17 department's proportionate share of regulatory and permitting  
18 expenses for each municipality and county.

19 (4) For cities with a population of five hundred thousand or  
20 fewer or a county with a population of one million or fewer, a  
21 transportation network company must submit to the department and each  
22 municipality and county recipient of funds, within thirty days of the  
23 end of each calendar quarter:

24 (a) The quarterly total amount of passenger surcharge fees  
25 collected for rides originating in cities with a population of five  
26 hundred thousand or less and counties with a population of one  
27 million or less, by a transportation network company on behalf of  
28 transportation network company drivers; and

29 (b) A report listing the percentage of the quarterly total amount  
30 of passenger surcharge fees from trips that originated in each city  
31 with a population of five hundred thousand or less or a county with a  
32 population of one million or less during the reporting period.

33 (5) The department must retain the amount of the passenger  
34 surcharge fee collected under subsection (4)(a) of this section as is  
35 necessary to cover the expenses borne by the department derived from  
36 the: (a) Regulation and permitting of transportation network  
37 companies and transportation network company drivers; and (b) the  
38 collection, remittance, and distribution of passenger surcharge fees  
39 under subsection (4) of this section. The department must deposit

1 these funds in the transportation network company account created in  
2 section 22 of this act.

3 (6) Within sixty days of the end of each calendar quarter, the  
4 department must distribute the remaining portion of the total  
5 passenger surcharge fees collected under subsection (4)(a) of this  
6 section less the amount retained under subsection (5) of this section  
7 to each municipality or county where a trip originated during the  
8 reporting period. The distribution to each municipality or county  
9 must be proportionate to the percentage of the quarterly total amount  
10 of surcharge fees that originated in each municipality or county. If  
11 a municipality contracts with a county for enforcement activities or  
12 other activities authorized under this chapter, the distribution  
13 applicable to that municipality shall be included in the distribution  
14 to the county. The funds collected by each municipality or county  
15 under this subsection must be used to fund enforcement activities by  
16 the municipalities and counties relating to this chapter.

17 (7) Nothing in this section prohibits a municipality or county  
18 from imposing and amending an independent per ride fee for local law  
19 enforcement costs. Municipalities and counties that impose an  
20 independent per ride fee are exempt from receiving funds from the  
21 transportation network company account created in section 22 of this  
22 act.

23 NEW SECTION. **Sec. 19.** (1) In addition to the surcharge fee  
24 assessed under section 18 of this act, each prearranged ride provided  
25 by a transportation network company driver to a passenger that  
26 originates in a city with a population of two hundred thousand or  
27 more or in a county with a population of one million or more must be  
28 assessed an accessibility surcharge, which is a ten cent per trip  
29 surcharge fee to offset costs associated with improving  
30 transportation options for individuals with disabilities. The amount  
31 of the accessibility surcharge may be adjusted by the local law  
32 enforcement agency based on, but not limited to, consideration of the  
33 following factors: Reimbursed costs for purchasing and retrofitting  
34 accessible vehicles; the estimated need for purchasing and  
35 retrofitting accessible vehicles in the upcoming year; total number  
36 of wheelchair accessible rides requested and total provided; and any  
37 other factors that may affect the supply, demand, and financial  
38 viability for wheelchair accessible for hire transportation service  
39 within the local law enforcement agency's jurisdiction.

1 (2) The surcharge fee assessed under subsection (1) of this  
2 section may be used to offset the operational costs incurred by  
3 owners and operators of wheelchair accessible taxicabs, wheelchair  
4 accessible for hire vehicles, or wheelchair accessible transportation  
5 network company vehicles including, but not limited to, reimbursement  
6 for: Costs associated with converting or purchasing a vehicle to be  
7 used as a for hire vehicle that is fully wheelchair accessible by  
8 ramp or lift in conformance with the Americans with disabilities act  
9 of 1990 (42 U.S.C. 12101 et seq.); costs associated with creating a  
10 central dispatch system for wheelchair accessible rides; costs to  
11 drivers for training for the safe and secure transportation of  
12 passengers in wheelchairs; extra fuel and maintenance costs; and time  
13 involved in providing wheelchair accessible rides. The surcharge fee  
14 may also be used by the department or local law enforcement agency to  
15 cover costs for department-approved outreach and communication  
16 related to accessible for hire transportation services.

17 (3) The surcharge fee assessed under subsection (1) of this  
18 section must be remitted directly by the transportation network  
19 company to each applicable city and county within thirty days of the  
20 end of each calendar quarter.

21 (4) For hire operator drivers must undergo department-approved  
22 training for the safe and secure transportation of passengers in  
23 wheelchairs prior to providing rides to passengers in wheelchairs.  
24 Rides provided to passengers in wheelchairs in vehicles that do not  
25 conform to Americans with disabilities act standards and/or by a  
26 driver without the training required in this subsection are  
27 ineligible for reimbursement.

28 (5) Nothing in this section prohibits a municipality or county  
29 from imposing an independent per ride fee for local accessibility  
30 reimbursement costs and distributing reimbursements. Municipalities  
31 and counties that impose an independent per ride fee are exempt from  
32 receiving funds from the transportation network company account  
33 created in section 22 of this act.

34 NEW SECTION. **Sec. 20.** (1) A transportation network company  
35 driver, transportation network company, any of the company's agents,  
36 or any person acting on behalf of a transportation network company  
37 may not take adverse action against any passenger if:

38 (a) The passenger or former passenger has informed any other  
39 person or made a complaint, or the driver or transportation network

1 company believes a passenger has informed any other person or made a  
2 complaint, including to the driver, the transportation network  
3 company, the department, the attorney general, or any other person,  
4 that the driver or transportation network company engaged in conduct  
5 that the passenger reasonably believes violates this chapter;

6 (b) The passenger or former passenger has sought information  
7 about the passenger's rights under this chapter or informed others  
8 about their rights under this chapter; or

9 (c) The passenger or former passenger has, or the driver or  
10 transportation network company believes a passenger has, otherwise  
11 exercised rights protected under this chapter.

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

15 NEW SECTION. **Sec. 21.** (1) The legislature finds that the  
16 practices covered under this chapter are matters vitally affecting  
17 the public interest for the purpose of applying chapter 19.86 RCW. A  
18 violation of this chapter is not reasonable in relation to the  
19 development and preservation of business and is an unfair or  
20 deceptive act in trade or commerce and an unfair method of  
21 competition for the purpose of applying chapter 19.86 RCW.

22 (2) The attorney general must maintain a toll-free number for  
23 complaints from passengers or former passengers related to this  
24 chapter and maintain a web site to inform passengers of their rights  
25 under this chapter.

26 (3) The transportation network company must maintain data  
27 regarding passenger complaints and the disposition of the complaint.  
28 The department, local law enforcement agencies, and the attorney  
29 general must be provided the data on a quarterly basis.

30 NEW SECTION. **Sec. 22.** The transportation network company  
31 account is created in the custody of the state treasurer. All  
32 receipts from sections 4(2) and 16(4) of this act must be deposited  
33 into the account. Expenditures from the account may be used only for  
34 the purposes provided in section 16(4) of this act. Only the director  
35 or the director's designee may authorize expenditures from the  
36 account. The account is subject to allotment procedures under chapter  
37 43.88 RCW, but an appropriation is not required for expenditures.

1       **Sec. 23.** RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each  
2 amended to read as follows:

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

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

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

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

22       (b) The following accounts and funds must receive their  
23 proportionate share of earnings based upon each account's or fund's  
24 average daily balance for the period: The 24/7 sobriety account, the  
25 Washington promise scholarship account, the Gina Grant Bull memorial  
26 legislative page scholarship account, the Washington advanced college  
27 tuition payment program account, the Washington college savings  
28 program account, the accessible communities account, the Washington  
29 achieving a better life experience program account, the community and  
30 technical college innovation account, the agricultural local fund,  
31 the American Indian scholarship endowment fund, the foster care  
32 scholarship endowment fund, the foster care endowed scholarship trust  
33 fund, the contract harvesting revolving account, the Washington state  
34 combined fund drive account, the commemorative works account, the  
35 county enhanced 911 excise tax account, the toll collection account,  
36 the developmental disabilities endowment trust fund, the energy  
37 account, the fair fund, the family and medical leave insurance  
38 account, the food animal veterinarian conditional scholarship  
39 account, the forest health revolving account, the fruit and vegetable  
40 inspection account, the future teachers conditional scholarship

1 account, the game farm alternative account, the GET ready for math  
2 and science scholarship account, the Washington global health  
3 technologies and product development account, the grain inspection  
4 revolving fund, the industrial insurance rainy day fund, the juvenile  
5 accountability incentive account, the law enforcement officers' and  
6 firefighters' plan 2 expense fund, the local tourism promotion  
7 account, the low-income home rehabilitation revolving loan program  
8 account, the multiagency permitting team account, the northeast  
9 Washington wolf-livestock management account, the pilotage account,  
10 the produce railcar pool account, the regional transportation  
11 investment district account, the rural rehabilitation account, the  
12 Washington sexual assault kit account, the stadium and exhibition  
13 center account, the youth athletic facility account, the self-  
14 insurance revolving fund, the transportation network company account,  
15 the children's trust fund, the Washington horse racing commission  
16 Washington bred owners' bonus fund and breeder awards account, the  
17 Washington horse racing commission class C purse fund account, the  
18 individual development account program account, the Washington horse  
19 racing commission operating account, the life sciences discovery  
20 fund, the Washington state heritage center account, the reduced  
21 cigarette ignition propensity account, the center for childhood  
22 deafness and hearing loss account, the school for the blind account,  
23 the Millersylvania park trust fund, the public employees' and  
24 retirees' insurance reserve fund, and the radiation perpetual  
25 maintenance fund.

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

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



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

4 **Sec. 24.** RCW 46.72.040 and 2010 c 8 s 9089 are each amended to  
5 read as follows:

6 (1) Except as otherwise provided in this chapter, before a permit  
7 is issued every for hire operator shall be required to deposit and  
8 thereafter keep on file with the director a surety bond running to  
9 the state of Washington covering each and every for hire vehicle as  
10 may be owned or leased by him or her and used in the conduct of his  
11 or her business as a for hire operator. Such bond shall be in the sum  
12 of one hundred thousand dollars for any recovery for death or  
13 personal injury by one person, and three hundred thousand dollars for  
14 all persons killed or receiving personal injury by reason of one act  
15 of negligence, and twenty-five thousand dollars for damage to  
16 property of any person other than the assured, with a good and  
17 sufficient surety company licensed to do business in this state as  
18 surety and to be approved by the director, conditioned for the  
19 faithful compliance by the principal of said bond with the provisions  
20 of this chapter, and to pay all damages which may be sustained by any  
21 person injured by reason of any careless negligence or unlawful act  
22 on the part of said principal, his or her agents or employees in the  
23 conduct of said business or in the operation of any motor propelled  
24 vehicle used in transporting passengers for compensation on any  
25 public highway of this state.

26 (2) The surety bond requirements of this section are  
27 alternatively satisfied by securing insurance coverage pursuant to  
28 this chapter.

29 (3) No provision of this chapter is construed to limit the right  
30 of an injured person to any private right of action against a for  
31 hire operator.

32 (4) A transportation network company or other for hire vehicle  
33 company, on behalf of affiliated for hire operators, may submit to  
34 the director proof of surety bonds or insurance as required by this  
35 section.

36 **Sec. 25.** RCW 48.177.010 and 2015 c 236 s 2 are each amended to  
37 read as follows:

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

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

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

28 (A) Combined single limit liability coverage in an amount no less  
29 than fifty thousand dollars per person for bodily injury, one hundred  
30 thousand dollars per accident for bodily injury of all persons, and  
31 thirty thousand dollars for damage to property;

32 (B) Underinsured motorist coverage to the extent required under  
33 RCW 48.22.030; and

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

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

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

1 (B) Underinsured motorist coverage in the amount of one million  
2 dollars; and

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

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

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

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

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

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

30 (iii) A combination of both the (~~(commercial))~~ transportation  
31 (~~(services—provider))~~ network company and the transportation network  
32 company driver.

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

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

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

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

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

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

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

39 (8) Insurers that exclude coverage under subsection (6) of this  
40 section have no duty to defend or indemnify any claim expressly

1 excluded under subsection (6) of this section. Nothing in this  
2 section shall be deemed to invalidate or limit an exclusion contained  
3 in a policy, including any policy in use or approved for use in  
4 Washington state before July 24, 2015, that excludes coverage for  
5 vehicles used to carry persons or property for a charge or available  
6 for hire by the public.

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

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

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

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

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

1 off the provider's digital network (~~(or software application)~~) on the  
2 day the accident or other loss occurred. The (~~(commercial)~~)  
3 transportation (~~(services provider)~~) network company or its insurer  
4 must retain all data, communications, or documents related to  
5 insurance coverage or accident details for a period of not less than  
6 the applicable statutes of limitation, plus two years from the date  
7 of an accident to which those records pertain.

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

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

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

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

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

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

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

3 (16) If the office of the insurance commissioner approves the  
4 insurance requirements described in this section to apply to other  
5 for hire operators that are not transportation network companies,  
6 those for hire operators may also use this insurance policy to  
7 fulfill their obligation pursuant to RCW 46.72.040.

8 **Sec. 26.** RCW 46.72.110 and 2011 c 298 s 27 are each amended to  
9 read as follows:

10 (1) All fees, except the per ride surcharge imposed by  
11 transportation network companies, received by the director under the  
12 provisions of this chapter must be transmitted by him or her,  
13 together with a proper identifying report, to the state treasurer to  
14 be deposited by the state treasurer in the highway safety fund.  
15 Appropriations from the highway safety fund will support expenses  
16 incurred in carrying out the licensing and regulatory activities of  
17 this chapter.

18 (2) All transportation network company permit fees and the per  
19 ride transportation network company surcharges collected by and  
20 distributed by the department pursuant to section 18(4) of this act  
21 must be deposited into the transportation network company account  
22 created in section 22 of this act.

23 **Sec. 27.** RCW 46.72.160 and 1996 c 87 s 19 are each amended to  
24 read as follows:

25 (1) Except as otherwise provided in this section, cities,  
26 counties, and port districts may license, control, and regulate all  
27 for hire vehicles operating within their respective jurisdictions.  
28 The power to regulate includes:

29 ~~((1))~~ (a) Regulating entry into the business of providing for  
30 hire vehicle transportation services;

31 ~~((2))~~ (b) Requiring a license to be purchased as a condition of  
32 operating a for hire vehicle and the right to revoke, cancel, or  
33 refuse to reissue a license for failure to comply with regulatory  
34 requirements;

35 ~~((3))~~ (c) Controlling the rates charged for providing for hire  
36 vehicle transportation service and the manner in which rates are  
37 calculated and collected;

1       ~~((4))~~ (d) Regulating the routes and operations of for hire  
2 vehicles(~~(7)~~) including, but not limited to, restricting access to  
3 airports, stadiums, and large public events as defined by department  
4 rule;

5       ~~((5))~~ (e) Establishing safety and equipment requirements; (~~and~~  
6 ~~(6))~~ (f) Discretion to suspend a transportation network  
7 company's operations in the local jurisdiction, consistent with  
8 section 13 of this act; and

9       (g) Any other requirements adopted to ensure safe and reliable  
10 for hire vehicle transportation service.

11       (2) This state preempts the following fields of regulation of  
12 transportation network companies, transportation network company  
13 drivers, and transportation network company vehicles:

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

16       (b) All requirements, applications, certifications, examinations,  
17 and background checks for transportation network company drivers, and  
18 the processing and adjudication of each, except that local  
19 jurisdictions may impose safety and customer service training; and

20       (c) All entry requirements for transportation network companies  
21 within the boundaries of this state.

22       (3) This section is not intended to limit, extend, address, or  
23 affect the authority of any political subdivision or municipal  
24 corporation to impose requirements upon transportation network  
25 companies, transportation network company drivers, and transportation  
26 network company vehicles within its jurisdiction that are generally  
27 applicable to all businesses.

28       (4) Notwithstanding subsection (2) of this section, nothing in  
29 this chapter limits the authority of cities with a population of more  
30 than five hundred thousand and counties with a population of more  
31 than one million to enforce this chapter, including regulations  
32 adopted by the department under this chapter, as applicable to  
33 transportation network companies, transportation network company  
34 drivers, or transportation network company vehicles.

35       (5) Notwithstanding subsection (2) of this section, this chapter  
36 does not affect the authority of cities with a population of more  
37 than five hundred thousand, counties with a population of more than  
38 one million, or port authorities to enforce, maintain, or amend any  
39 ordinance enacted before January 2017, that regulates transportation



1 network companies, transportation network company drivers, or  
2 transportation network company vehicles.

3 (6) Nothing in this chapter precludes a city or county from  
4 regulating or enforcing ordinances related to traffic flow, traffic  
5 patterns, roadways, or the public right-of-way or from imposing  
6 related fees including, but not limited to, impact fees, parking  
7 fees, and congestion/peak travel period fees.

8 (7) Nothing in this chapter precludes a city or county from  
9 regulating highly automated vehicles.

10 NEW SECTION. Sec. 28. (1) Each for hire operator must adopt and  
11 abide by 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 passengers and potential passengers. Notice of such policy must be  
15 conspicuously posted in a for hire operator's principal place of  
16 business, web site, and digital network.

17 (2) All for hire operators must comply with all applicable laws  
18 regarding nondiscrimination against passengers or potential  
19 passengers on the basis of destination, race, color, national origin,  
20 religious belief or affiliation, sex, disability, age, sexual  
21 orientation, or gender identity.

22 (3) For hire operators must comply with all applicable laws  
23 relating to the transportation of service animals.

24 (4) For hire operators may not impose additional charges for  
25 providing services to persons with disabilities because of those  
26 disabilities.

27 NEW SECTION. Sec. 29. The following acts or parts of acts are  
28 each repealed:

29 (1) RCW 48.177.005 (Definitions) and 2016 c 21 s 1; and

30 (2) RCW 46.72.039 (Personal vehicles under chapter 48.177 RCW)  
31 and 2015 c 236 s 3.

32 NEW SECTION. Sec. 30. Sections 3 through 22 and 28 of this act  
33 are each added to chapter 46.72 RCW.

1        NEW SECTION.   **Sec. 31.**   RCW 48.177.010 is recodified as a section  
2   in chapter 46.72 RCW.

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