
HOUSE BILL 2945

State of Washington 65th Legislature 2018 Regular Session

By Representatives Fey, Chapman, Stonier, and Riccelli

Read first time 01/26/18. Referred to Committee on Transportation.

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 Violation | 18 30-day suspension | 60-day suspension | 6-month suspension | Summary suspension | Revocation |
|------------------------|---------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------|
| 19 Class A | | | | | |
| 20 Class B | | | | | |
| 21 Class C | | | | | |
| 22 Class D | | | | | |
| 23 Unclassified | | | | | |

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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