

SENATE BILL REPORT

SB 5600

As of February 1, 2025

Title: An act relating to regulation of transportation network companies during large-scale events.

Brief Description: Concerning regulation of transportation network companies during large-scale events.

Sponsors: Senators Alvarado, Saldaña, Frame, Nobles and Valdez.

Brief History:

Committee Activity: Labor & Commerce: 2/04/25.

Brief Summary of Bill

- Prohibits a transportation network company from charging a fare for a prearranged ride provided to any passenger that exceeds 120 percent of the driver's pay for the prearranged ride during a large-scale event.
- Allows a local government where the large special event will be located to regulate transportation network companies using geofencing to create designated drop-off and pick-up zones during a large special event.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Susan Jones (786-7404)

Background: Transportation network company (TNC) is an entity that operates in Washington State, and uses a digital network to connect passengers with TNC drivers to provide prearranged rides.

A TNC must pay a driver specified amounts, depending on the size of the city where the trip begins, and the mileage and minutes for the trip with specified minimum amounts. Each

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year, the Department of Labor and Industries adjusts the per mile and minute amounts and the per trip minimums by the rate of the increase of the state minimum wage to take effect on the following January 1st.

Before a passenger enters a TNC vehicle, the TNC must provide, on behalf of the driver, either the fare for the prearranged ride or the option to receive an estimated fare for the prearranged ride.

During the first seven days of a declared state of emergency, a TNC may not charge a fare for TNC services provided to any passenger that exceeds two and one-half times the fare that would otherwise be applicable for the prearranged ride.

The state preempts the field of regulating TNCs and drivers. No county, city, town, or other municipal corporation may regulate TNCs or drivers, or impose any tax, fee, or other charge, on a TNC or driver. There are specified exceptions.

Special Event Assessment Rating (SEAR) Events are voluntarily submitted special events, which are sent to the United States Department of Homeland Security's (DHS) Office of Operations Coordination (OPS) by state, local, and federal officials for a risk assessment. Examples of submitted events have included the Super Bowl, Indianapolis 500, and the Kentucky Derby. OPS applies a risk-based methodology to all submitted events and assigns them a SEAR rating. This methodology considers the threat, vulnerability, and consequences for each event. The ratings are levels one to five. Depending on the rating, the federal government assists and supports state and local officials in filling in local capacity to help ensure a safe and secure event.

Summary of Bill: During a large-scale event, a TNC may not charge a fare for a prearranged ride provided to any passenger that exceeds 120 percent of the driver's pay for the prearranged ride. Large-scale event means a ticketed or preregistered assembly of:

- 10,000 or more individuals at an outdoor venue that has defined entrances and exits;
- or
- 1000 or more individuals at an indoor venue that has defined entrances or exits.

Event staff and volunteers are not included in the attendee count. A large-scale event does not include any assembly operated, managed, conducted, controlled, or supervised by a public or private charter K-12 educational organization or a religious or faith-based organization.

Driver's pay means the compensation a TNC pays a driver for a prearranged ride but excludes pass-through charges such as driver-paid tolls and tips paid by passengers.

Violating the prohibition on charging more than 120 percent of the driver's pay during a large-scale event or two and one-half times the regular fare during a declared state of emergency, or the requirement to provide the fare to a passenger before entering the vehicle

is considered to affect the public interest and constitutes an unlawful and unfair practice under the Consumer Protection Act.

During a large special event, one or more of a county, city, town, or municipal corporation where the large special event will be located may regulate transportation network companies using geofencing to create designated drop-off and pick-up zones. Large special event means a special event occurring in Washington State which the United States DHS has assessed at rating levels one through five.

Appropriation: None.

Fiscal Note: Requested on January 30, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.