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SENATE BILL 5498

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State of Washington

62nd Legislature

2011 Regular Session

By Senators Kline, Shin, Conway, Rockefeller, Kohl-Welles, Keiser, and Chase

Read first time 01/27/11. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to for hire vehicles and for hire vehicle  
2 operators; amending RCW 81.72.210; adding new sections to chapter 51.12  
3 RCW; adding a new section to chapter 51.16 RCW; adding a new section to  
4 chapter 46.72 RCW; adding a new section to chapter 81.72 RCW; and  
5 prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.12 RCW  
8 to read as follows:

9 The legislature finds that taxicab, limousine, and other for hire  
10 vehicle operators are at significant risk of injury due to work-related  
11 accidents or crimes such as robbery that may not be covered by standard  
12 vehicle insurance policies. Since almost all taxicab, limousine, and  
13 other for hire vehicle business operations are independent small  
14 business franchises, their owners or operators may opt out of  
15 industrial insurance coverage without full consideration for the risk  
16 of financial exposure to themselves or to their businesses. As a  
17 result, health care may be provided to them at public expense or not at  
18 all, and erroneous claims may be made by health care providers for  
19 insurance coverage, against the state department of labor and

1 industries, private businesses, or the taxicab associations in which  
2 certain municipalities require participation. Most for hire vehicle  
3 operators do not enjoy the benefit of the broad public policy embodied  
4 in this title that mandates industrial insurance protection for  
5 workers. The legislature therefore declares that all taxicab,  
6 limousine, for hire vehicle businesses, and for hire vehicle operators  
7 are subject to mandatory industrial insurance coverage under this  
8 title.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.12 RCW  
10 to read as follows:

11 (1) Any business that is licensed or operating a for hire vehicle  
12 under chapter 46.72, 46.72A, or 81.72 RCW and that is operating such  
13 vehicle as a for hire operator is within the mandatory coverage of this  
14 title.

15 (2) Any business that as owner or agent is leasing a for hire  
16 vehicle to a for hire operator is within the mandatory coverage of this  
17 title.

18 (3) For the purposes of this section:

19 (a) "For hire vehicle" has the same meaning as provided in RCW  
20 46.04.190; and

21 (b) "For hire operator" has the same meaning as "operator or  
22 driver" as provided in RCW 46.04.370.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 51.16 RCW  
24 to read as follows:

25 For the purposes of sections 1, 2, and 4 of this act, the  
26 department must compute industrial insurance premium rates for: (1)  
27 Any business operating for hire, limousine, or taxicab vehicles; and  
28 (2) any business leasing licensed vehicles to a business operating such  
29 vehicles, on a per vehicle basis.

30 NEW SECTION. **Sec. 4.** A new section is added to chapter 46.72 RCW  
31 to read as follows:

32 (1) A for hire vehicle license issued pursuant to this chapter or  
33 chapter 46.72A or 81.72 RCW must be suspended or revoked, and may not  
34 be renewed or ownership in such vehicle transferred, in the event of  
35 failure to file report of, and pay, the public utility tax imposed on

1 an urban transportation business under RCW 82.16.020 or mandatory for  
2 hire vehicle operator industrial insurance premium as charged by the  
3 department of labor and industries under sections 2 and 3 of this act.

4 (2)(a) A for hire vehicle and its operator must have evidence of  
5 payment in good standing with the department of the for hire vehicle  
6 operator industrial insurance premium, whenever the for hire vehicle is  
7 operated on public streets and highways for compensation.

8 (b) Failure to produce evidence of payment of the for hire vehicle  
9 insurance premium upon demand by a law enforcement officer or other  
10 government agent acting under the authority of this chapter or chapter  
11 46.72A or 81.72 RCW is a civil infraction punishable by a fine of not  
12 more than two hundred fifty dollars per infraction separately upon both  
13 the for hire vehicle owner and the for hire vehicle operator if they  
14 are not one and the same.

15 (3) For hire vehicle license suspension or revocation and the  
16 administration thereof for failure to pay the mandatory industrial  
17 insurance premium must be at the direction and expense of the  
18 department of labor and industries.

19 (4) The department of labor and industries and the department of  
20 licensing may adopt rules to implement this section.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 51.12 RCW  
22 to read as follows:

23 (1) In order to assist the department with controlling costs  
24 related to the self-monitoring of industrial insurance claims by  
25 independently operated for hire vehicle, limousine, and taxicab  
26 businesses, the department may empower a panel of individuals with for  
27 hire vehicle, limousine, and taxicab transportation industry experience  
28 and expertise to advise the department.

29 (2) The owner of any for hire vehicle subject to mandatory  
30 industrial insurance pursuant to this act is eligible for inclusion in  
31 a retrospective rating program authorized and established pursuant to  
32 chapter 51.18 RCW.

33 NEW SECTION. **Sec. 6.** A new section is added to chapter 81.72 RCW  
34 to read as follows:

35 (1) Any city, county, or port district setting the rates charged  
36 for taxicab service under this chapter, or for hire vehicles or

1 limousines operating under the authority of chapter 46.72 or 46.72A RCW  
2 or a taxicab under chapter 46.72 RCW, must: (a) Consider the impact of  
3 mandatory industrial insurance on such businesses in the calculation  
4 and setting of rates; and (b) adjust rates to offset any increased cost  
5 to any such transportation business from mandatory industrial or other  
6 insurance coverage.

7 (2) Rate-setting authority under this chapter is limited to the  
8 setting of consumer rates for the provision of transportation services.

9 **Sec. 7.** RCW 81.72.210 and 1984 c 126 s 2 are each amended to read  
10 as follows:

11 To protect the public health, safety, and welfare, cities, towns,  
12 counties, and port districts of the state may license, control, and  
13 regulate privately operated taxicab transportation services operating  
14 within their respective jurisdictions. The power to regulate includes:

15 (1) Regulating entry into the business of providing taxicab  
16 transportation services;

17 (2) Requiring a license to be purchased as a condition of operating  
18 a taxicab and the right to revoke, cancel, or refuse to reissue a  
19 license for failure to comply with regulatory requirements;

20 (3) Controlling the consumer rates charged for providing taxicab  
21 transportation service and the manner in which consumer rates are  
22 calculated and collected, including the establishment of zones as the  
23 basis for consumer rates;

24 (4) Regulating the routes of taxicabs, including restricting access  
25 to airports;

26 (5) Establishing safety, equipment, and insurance requirements; and

27 (6) Any other requirements adopted to ensure safe and reliable  
28 taxicab service.

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