

SENATE BILL REPORT

SB 6460

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 11, 1992

Brief Description: Removing redundant for hire vehicle provisions.

SPONSORS: Senators Sellar, Newhouse and McMullen; by request of Department of Licensing

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6460 be substituted therefor, and the substitute bill do pass.

Signed by Senators Patterson, Chairman; Nelson, Vice Chairman; Barr, Hansen, Madsen, McMullen, Oke, Sellar, Skratek, Thorsness, and Vognild.

Staff: Jeff Doyle (786-7322)

Hearing Dates: February 6, 1992; February 10, 1992; February 11, 1992

BACKGROUND:

Under current law, the Department of Licensing (DOL) is responsible for enforcing regulations concerning "for-hire" vehicles. A "for-hire" vehicle is one which transports passengers for compensation. Specifically excluded from the provisions are auto stages, school buses used solely for school purposes, ride-sharing vehicles (such as van pools) and limousine charter party carriers.

Owners of for-hire vehicle companies must have a permit to operate issued by DOL. Before DOL will approve the application for a permit, the owner must first obtain a city or county permit or, where no regulatory agency exists, the approval of a designated city or county official. Once the owner has approval from the city/county authority, DOL will consider the application and may issue a permit. The permit does not need to be renewed, but can be revoked or suspended by the DOL for owners not in compliance with the law.

Each vehicle must have a valid certificate issued by DOL showing that the vehicle is properly insured, has paid the yearly certificate fee, and lists the name of the vehicle owner. Most cities and counties also require their own certificates to be carried in each vehicle. The requirements for these certificates are usually the same as the requirements for the DOL certificates. It is a criminal violation to operate a for-hire vehicle without a valid certificate.

SUMMARY:

The Department of Licensing (DOL) no longer issues permits for businesses or certificates verifying insurance for vehicles. Cities, counties and ports retain their ability to regulate the for-hire vehicle industry. Areas without regulatory authority will rely on the business licensing process of the counties to ensure that owners are qualified to operate a for-hire business.

Owners of for-hire vehicles, even in unregulated areas, must still have insurance or proof of bonding in the amounts designated under current state law. In the unregulated areas of the state, there will be no state oversight ensuring compliance with the insurance provisions.

EFFECT OF PROPOSED SUBSTITUTE:

The Department of Licensing (DOL) retains its regulatory responsibility except for the issuance of permits in those areas already subject to regulation. DOL will continue to issue its own yearly certificates in addition to any certificate already issued by the local authority. DOL is given the ability to set the permit and certificate fees via the administrative rulemaking procedures of the Administrative Procedure Act.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

The regulation of taxi cabs by DOL is currently being done more effectively at the local levels. Since DOL basically duplicates the efforts of local authorities, and since the cost of administering the program greatly overruns the fees generated, DOL regulation in this field is best left to local jurisdictions.

TESTIMONY AGAINST:

If DOL is removed from the current regulatory scheme, those areas of the state without a local authority will be unregulated and could place the public at risk to uninsured tax cab drivers.

TESTIFIED: Tobias Washington, Department of Licensing (pro); Doug Bohlke, Taxi Cab Association (con)