

# SENATE BILL REPORT

## ESHB 1775

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As of February 26, 2010

**Title:** An act relating to the regulation of certain limousine carriers.

**Brief Description:** Regulating certain limousine carriers.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives White, Carlyle, Nelson, Upthegrove and Simpson).

**Brief History:** Passed House: 2/18/10, 62-32.

**Committee Activity:** Transportation: 2/24/10.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Wendy Malkin (786-7434)

**Background:** The Department of Licensing (DOL) regulates the entry, equipment, chauffeur qualifications, and operations of limousines. In addition, the Port of Seattle regulates limousines with regard to entry, chauffeur qualifications, operations, and equipment at port facilities such as the SeaTac International Airport.

A limousine is a for-hire, chauffeur-driven, unmetered, unmarked luxury motor vehicle that meets the definition of one of the following types of vehicles: a stretch limousine, an executive sedan, an executive van, a classic car, an executive sport utility vehicle, or a stretch sport utility vehicle. The majority of limousines operated in the state are executive sedans, which are often Lincoln Town Cars.

Limousine carriers and chauffeurs must meet certain requirements. A limousine carrier must have an office, and no office may be solely in a vehicle. All services must be prearranged through the carrier's office and dispatched to the limousine. Customers cannot make arrangements with the driver for immediate rental of a limousine, even if the driver is the owner. A limousine carrier must certify to DOL that each chauffeur meets certain qualifications. Limousine carriers must meet certain requirements for advertising, including the prohibition on advertising as a taxicab company.

Limousine carriers must obtain a business license from DOL and must obtain a vehicle certificate for each limousine. Unlawful operation of a limousine without a certificate is a misdemeanor on the first offense and a gross misdemeanor for subsequent

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offenses. Violation of the insurance provisions related to limousines and false advertising are gross misdemeanors.

**Summary of Bill:** DOL may enter into cooperative agreements with cities that have a population of 500,000 or more for the purpose of enforcing state laws and rules applicable to limousine carriers and chauffeurs. Currently, the city of Seattle is the only city that meets the population requirement. The city may adopt ordinances that are consistent with state laws and may issue civil infractions as provided in state law. If DOL enters into a cooperative agreement with a city, DOL may provide annual funding from limousine fees to the city to support enforcement.

Requirements are expanded for limousine carriers and chauffeurs operating in Washington. The expanded provisions include requirements related to passenger records, advertising, and qualifications for chauffeurs.

Civil infractions may be issued for several violations including failing to maintain certain records, failing to comply with vehicle inspection standards, soliciting customers without prearrangement, paying others to solicit customers, and operating a limousine without a carrier license and a limousine vehicle certificate.

DOL may set a fee of up to \$350 for a limousine carrier license in 2011, which may increase to \$450 in subsequent years, and a fee of up to \$75 for limousine vehicle certificates.

DOL must convene an internal work group regarding the issuance of a chauffeur license, which is currently not required. DOL must provide a report on its recommendations by November 15, 2010.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested ten-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** No.

**Effective Date:** All sections except one take effect January 1, 2011. The remaining section takes effect ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill was introduced in the legislature last year. Since last year, a stakeholder group has worked to revise the bill to something we can all agree to. The purpose of the bill is to provide the public with safe, courteous transportation. Currently, some limo drivers are very aggressive and hold themselves out as taxi drivers by approaching people on the streets. It is illegal for limo drivers to pick people up off the street because all rides must be prearranged. Currently, there is no one for the public to complain to because there is no real enforcement. Bill will address issue of prearranged rides by requiring records for prearranged rides. It will also require chauffeurs to meet certain standards. Under current law there are no outside checks and balances to make sure drivers actually meet the required standards. The bill will provide better enforcement because it creates civil infractions. The bill will level the playing field between

cabs and limos. Cabs get real penalties for violating the law, but limos do not. Illegal operators are rampant in Seattle. The purpose of the bill is to create an environment that will work for all legal limo drivers. The city needs the money provided by the fees to have one full-time inspector on the ground.

CON: This bill is not about safety; it is about hurting the small operators. Large companies provide commissions to hotels and others, which makes it hard for independents to get business. The limos drivers will pay for enforcement through fees, and we do not want the City of Seattle doing the enforcement. The city is corrupt, and it will single out the small operators and put us out of business. The city also makes deals with the larger companies to give them all the business. This bill is about monopolizing business to get rid of the little guys. DOL already has the authority to regulate, and it should use the increased fees to do the enforcement itself. The city will embarrass drivers and customers by stopping us at anytime for inspections, as this bill would allow them to do. The independents cannot afford the increased fees.

OTHER: DOL supports the bill as it is written, but there is concern that the fee cap set in the bill is too low. It will not allow us to pass money on to the City of Seattle for enforcement. The current fee is much too low to support the current program. The increased fee will be needed by DOL to do its part to run the new program.

**Persons Testifying:** PRO: Steve Salins, Puget Sound Limousine Association; Cindi Laws, Jeff Sponce, Yellow Cab; Denise Movius, City of Seattle.

CON: Alexander Samuel, Seattle Independent Limo Driver Association; Dawit Felema, Abdo Tuffa, Hassan Said, Seattle Limo Express; Aedao Dube, Airport Transporter.

OTHER: Ralph Osgood, Nancy Skewis, DOL.