

# HOUSE BILL REPORT

## SSB 5502

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### As Reported by House Committee On: Transportation

**Title:** An act relating to the regulation, operations, and safety of limousine carriers.

**Brief Description:** Concerning the regulation, operations, and safety of limousine carriers.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators White, Nelson, Keiser, Ranker, Kohl-Welles, Rockefeller, Murray, Litzow, Harper, Fain, Swecker, Delvin and Shin).

#### **Brief History:**

##### **Committee Activity:**

Transportation: 3/16/11, 3/24/11 [DPA].

#### **Brief Summary of Substitute Bill (As Amended by House)**

- Allows cities with a population of 500,000 or more to enter into cooperative agreements with the Department of Licensing (DOL) to regulate limousines, including the transfer of fee and fine revenue to offset city enforcement costs.
- Removes the requirement that a limousine carrier must operate from an office that is not solely in a vehicle.
- Clarifies the types of documents that suffice to prove that a trip has been prearranged and clarifies where the documents must be stored.
- Creates civil infractions related to retaining documents, meeting vehicle standards, operating without a carrier license or vehicle certificate, and soliciting customers.
- Allows cities with a population of 500,000 or more to conduct both annual and random limousine vehicle inspections.
- Requires the suspension of a vehicle certificate if the required insurance is not maintained on the vehicle.
- Modifies provisions related to requirements for advertising limousine services to provide for a fine, rather than a gross misdemeanor charge.
- Adds requirements to qualify as a limousine chauffeur.

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- Limits the fee for limousine vehicle certificates to \$75, the fee for a limousine carrier license to \$350, and the fee for vehicle inspections to \$25.
- Requires the DOL to convene an internal work group regarding the issuance of a chauffeur license.

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 22 members: Representatives Clibborn, Chair; Billig, Vice Chair; Liias, Vice Chair; Armstrong, Ranking Minority Member; Angel, Asay, Eddy, Finn, Fitzgibbon, Jinkins, Johnson, Klippert, Ladenburg, Morris, Moscoso, Reykdal, Rivers, Rolfes, Ryu, Takko, Upthegrove and Zeiger.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Hargrove, Assistant Ranking Minority Member; McCune and Shea.

**Staff:** Wendy Malkin (786-7114).

### **Background:**

In 1996 the regulation of limousines was transferred from the Utilities and Transportation Commission to the Department of Licensing (DOL). The DOL regulates entry, equipment, chauffeur qualifications, and operations. In addition, the Port of Seattle regulates limousines with regard to entry, chauffeur qualifications, operations, and equipment at Seattle-Tacoma International Airport. Unlike the regulation of limousines, the regulation of taxi cabs and for-hire vehicles is with the cities, counties, and port districts. The for-hire vehicle statute explicitly excludes limousines.

A limousine is a for-hire, chauffeur-driven, unmetered, unmarked luxury motor vehicle that meets one of the following definitions:

- "stretch limousine" is an automobile whose wheelbase has been altered, has a seating capacity of no more than 12 passengers, and is equipped with amenities;
- "executive sedan" is a four-door sedan with a minimum wheelbase of 114.5 inches, a seating capacity of no more than three passengers behind the driver, and standard factory amenities;
- "executive van" is a van, minivan, or minibus with a seating capacity of seven to 14 passengers behind the driver;
- "classic car" is a fine and distinctive automobile that is 30 years old or older;
- "executive sport utility vehicle" means an automobile with a seating capacity of not less than three passengers and not more than six passengers behind the driver, and a minimum wheelbase of 116 inches that has not been altered, which does not fall into one of the other categories; or
- "stretch sport utility vehicle" is an automobile whose wheelbase has been altered, has a seating capacity of no more than 14 passengers, and is equipped with amenities, which does not fall into one of the other categories.

A limousine carrier must obtain a carrier license from the DOL, and a carrier must obtain a vehicle certificate for each vehicle it operates. The current fees are \$40 for a carrier license and \$25 for a vehicle certificate. The Washington State Patrol (WSP) conducts annual vehicle inspections of each limousine licensed by the DOL, except when a port district that regulates limousines conducts the annual vehicle inspections. The WSP's current inspection fee is \$25.

A limousine carrier must have an office; a vehicle cannot solely be used as an office. Arrangements for service 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 that each chauffeur: (1) is 21 years of age; (2) holds a valid Washington driver's license; (3) has successfully completed a training course and written exam approved by the DOL; (4) has passed a background check performed by the WSP; and (5) submits a medical certificate upon initial application and every three years thereafter validating the driver's fitness.

Limousine carriers must list their unified business identifier when advertising and specify the type of service offered. A limousine carrier cannot advertise as a taxicab company. Unlawful operation of a limousine without a certificate is a misdemeanor on first offense and a gross misdemeanor thereafter. Violation of the insurance provisions related to limousines and false advertising are gross misdemeanors.

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### **Summary of Amended Bill:**

The requirement that a limousine carrier must operate from an office that is not solely in a vehicle is removed. However, customers must arrange for limousine service at a time and place different from the customer's time and place of departure, and limousine carriers must list a physical address on their business license where records substantiating prearrangement may be viewed by a law enforcement officer. In addition, limousine carriers and limousine chauffeurs must list a telephone or pager number that is used to prearrange the carrier's services.

The types of documents that suffice to prove that a trip has been prearranged are clarified and where the documents must be stored is changed, and a civil infraction associated with the failure to retain or provide these documents is created.

Cities with a population of 500,000 or more are permitted to do annual vehicle inspections, and these cities and certain port districts are permitted to do random vehicle inspections so long as customers are not in the vehicle. The cities and port districts may charge inspection fees that are consistent with state inspection fees. A civil infraction is created for violations of vehicle standards, and a vehicle certificate must be suspended for violation of safety standards.

The suspension of a limousine vehicle certificate is mandated if the required insurance is not maintained on the vehicle while it is licensed with the DOL, and a civil infraction is created for each day a carrier operates a limousine with a suspended certificate.

The prohibitions related to advertising limousine services are modified to provide for a fine, rather than a gross misdemeanor charge. A civil infraction is created for chauffeurs who solicit or assign customers directly or through a third party for non-prearranged limousine service. In addition, a civil infraction is created for chauffeurs who offer payment to a third party to solicit customers for limousine service without a written contract on file at the business' premises of the third party and limousine carrier. Civil infractions are also created for individuals who accept payment to solicit or assign customers on behalf of a chauffeur for non-prearranged limousine service or who accept payment to solicit customers for limousine service without a written contract.

A satisfactory driving record and participation in a random drug testing program are added to the requirements to qualify as a limousine chauffeur. A failed drug test is included in the list of items for which the DOL may impose sanctions for unprofessional conduct.

A civil infraction is created for operating a limousine without a limousine carrier license or limousine vehicle certificate. Any fee related to a limousine vehicle certificate is limited to \$75, any fee related to a limousine carrier license is limited to \$350, and any fee related to vehicle inspections is limited to \$25.

All cities with a population of 500,000 or more may enter into cooperative agreements with the DOL to regulate limousines in a manner consistent with state law, which may include provisions for the transfer of fee and fine revenue to offset city enforcement costs. Cities that enter into cooperative agreements may enact ordinances that are consistent with state law to regulate limousines and may issue civil infractions as allowed under state law.

The DOL is required to convene an internal work group regarding the issuance of a chauffeur license, with a report to the Transportation committees of the Legislature containing the DOL's recommendation due by November 15, 2012.

#### **Amended Bill Compared to Substitute Bill:**

The amendment makes the following changes to the bill:

- changes the effective date of sections 1 through 12 from January 1, 2013, to January 1, 2012;
- requires a limousine chauffeur to file a physician's certification with the limousine carrier upon initial application and every two years thereafter;
- removes the requirement that a copy of a contract for payment to a third party to solicit customers for limousine service be stored in the limousine engaged in the services detailed in the contract; and
- requires that a contract for payment to a third party to solicit customers be stored on the limousine carrier's business premises and requires limousines engaged in the services detailed in the contract to carry a certificate verifying the existence of a current contract.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect on January 1, 2012, except for section 13, relating to a work group on the issuance of chauffer licenses, which takes effect 90 days after adjournment of the session in which the bill is passed, and section 14, relating to creating the limousine carriers account, which takes effect July 1, 2012.

**Staff Summary of Public Testimony:**

(In support) This bill is designed to address safety issues. There are many safety issues with rogue operators. Some operators are aggressive in soliciting rides, including taking luggage from people at ferry and cruise ship terminals to try to get people in the limousines. There have been problems with operators changing an agreed-upon fare at the final destination. There are operators who operate without insurance. Chauffeurs are never checked in terms of their skills in operating the vehicles.

The bill is also designed to address an underground economy issue. Some limousines operate like taxis, which is illegal. Most limousines have no established customer base or dispatch office, so they violate the law with every trip. Limousines have no entry or rate regulation like taxis, so there is chronic over supply, which undermines effective regulation. Chauffeurs do not obey the prearrangement rule because there is no on-the-ground regulation. Chauffeurs pay money to hotel doormen for long rides, which takes business away from taxis. Chauffeurs park in areas where they are not allowed, which takes business away from taxis who are required to park farther away. Also, limousine drivers get out of their cars and approach customers while taxi drivers must stay within 10 feet of their vehicle or they will be fined. This is not fair to taxi drivers, who must hustle a lot of trips on their own. Taxi drivers need a fair playing field, which can be accomplished by enforcing limousine regulation.

The City of Seattle (City) needs this bill to have the tools to deal with public safety issues related to limousine drivers. The main concern is public safety. Seventy-seven percent of the limousines in Washington operate in King County. The DOL does not regulate or enforce the laws for limousines. The low fees that go to the DOL are not high enough for enforcement. Seattle needs to protect its residents. For example, the City needs to screen chauffeurs and make a process for complaints. Limousine drivers need to have a chauffeur's license so they can be regulated. The City supports the role of limousines in the city; they just need to regulate them effectively.

In addition, the number of drivers operating illegally doubles or triples in the spring and summer months to take advantage of the tourist season. There is a lot of crime in the limousine industry. Some operators would be willing to pay any fee, no matter how high, just to create a legal operating environment.

Some limousine drivers would prefer not to have local regulation because limousines do longer trips than taxis. It would be hard for limousines to be regulated by all of the jurisdictions that might be passed through on one trip. We want statewide regulation, but we want local enforcement to make a legal operating environment. There are problems in

Vancouver, Bellingham, and Spokane, but it would be best to start this new enforcement in Seattle before going to other cities.

The Port of Seattle (Port) needs this bill to address serious concerns at our Port terminals. The Port has the authority to regulate at Seattle-Tacoma International Airport (Airport), and it has been very effective. The Airport is all Port property, so the laws can be enforced. The limousines at the ferries are not all on Port property, so enforcement is difficult. If the Port can partner to enforce, we can do a good job. The Port is concerned about passengers when they arrive at the terminals. Limousine drivers fight over passenger bags to solicit rides. The Port needs money to enforce; the fee is not a barrier for limousine drivers at the Airport. The 800,000 cruise passengers that come into our terminals each year need to be protected.

(Opposed) None.

**Persons Testifying:** Senator White, prime sponsor; Denise Movius, City of Seattle; Clare Gallagher, Port of Seattle; Chris Van Dyk, BYG Taxi Cooperative and Evergreen State Taxi; Aram Matevosov, Washington State Town Car Service Association; and Steve Salins, Puget Sound Limousine Association.

**Persons Signed In To Testify But Not Testifying:** None.