

SENATE BILL REPORT

SB 5498

As of February 10, 2011

Title: An act relating to for hire vehicles and for hire vehicle operators.

Brief Description: Concerning for hire vehicles and for hire vehicle operators.

Sponsors: Senators Kline, Shin, Conway, Rockefeller, Kohl-Welles, Keiser and Chase.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 2/10/11.

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Staff: Mac Nicholson (786-7445)

Background: Industrial Insurance. Industrial insurance provides medical and non-medical benefits to workers injured in the course of their employment. Coverage is mandatory for most employers in the state, and is purchased through the Department of Labor and Industries (L&I). Employers meeting certain eligibility criteria can self-insure.

For Hire Vehicles. Generally any for hire operator must have a permit issued by the Department of Licensing (DOL) to operate a for hire vehicle on state highways. For hire vehicles include taxicabs and other vehicles used for the transportation of passengers for compensation, except for limousines. Local governments are also granted the authority to license, control, and regulate for hire vehicles operating within their jurisdictions. This regulatory authority includes the ability to set rates charged for providing transportation services.

Limousine carriers and chauffeurs are regulated through DOL in conjunction with the Washington State Patrol. With the exception of the Port of Seattle, local governments do not have the authority to regulate limousine carriers.

A public utility tax is imposed on urban transportation businesses.

Summary of Bill: Industrial Insurance. The following are subject to mandatory industrial insurance coverage:

- any business that is licensed to operate, or is operating, a for hire vehicle, taxicab, or limousine, and is operating that vehicle as an operator or driver; and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- any business that as owner or agent leases a for hire vehicle to an operator or driver.

L&I must compute the premium rate on a per vehicle basis for any business operating for hire vehicles, limousines, or taxicabs, and any business leasing licensed vehicles to a business operating for hire vehicles, limousines, or taxicabs. L&I may convene a panel of for hire vehicle, limousine, and taxicab transportation industry experts to advise L&I on controlling claim costs. Owners of for hire vehicles may participate in a retrospective rating program.

For Hire Vehicles. A for hire license, limousine license, or a taxicab license must be suspended or revoked and may not be renewed for failure to report and pay the public utility tax on urban transportation businesses or the industrial insurance premium.

A for hire vehicle and its operator must have evidence of payment of the industrial insurance premium with DOL whenever the vehicle is operated on public streets and highways for compensation. Failure to produce evidence of industrial insurance payment upon demand by a law enforcement officer is a civil infraction punishable by up to a \$250 fine upon the vehicle owner and the vehicle operator, if different from the owner. L&I must direct, and pay for, license suspension or revocation, along with the administration costs, for failure to pay industrial insurance premiums.

Any local government that sets rates for taxicab service, for hire vehicles, or limousines must consider the impact of industrial insurance on the businesses in the calculation and setting of rates, and must adjust rates to offset any increased cost to any business from industrial or other insurance coverage. Taxicab rate-setting authority for local governments is limited to the setting of consumer rates for the provision of transportation services.

Appropriation: None.

Fiscal Note: Requested on February 7, 2011.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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