
HOUSE BILL 1367

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Green, Moeller, Rolfes, Hasegawa, Pettigrew, Sells, Ryu, Appleton, Hunt, Seaquist, Miloscia, Ormsby, and Roberts

Read first time 01/19/11. Referred to Committee on Labor & Workforce Development.

1 AN ACT Relating to for hire vehicles and for hire vehicle
2 operators; amending RCW 81.72.210; adding new sections to chapter 51.08
3 RCW; adding new sections to chapter 51.12 RCW; adding a new section to
4 chapter 51.16 RCW; adding a new section to chapter 46.72 RCW; adding a
5 new section to chapter 81.72 RCW; and 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 51.08 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, and other for hire vehicle businesses, all "direct industry
7 service providers" as defined in this act, and "for hire vehicle
8 operators" are subject to mandatory industrial insurance coverage under
9 this title.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.08 RCW
11 to read as follows:

12 "Direct industry service provider" means a business that provides
13 services to, and whose revenues are derived substantially from, a
14 single industry, and who maintains contractual relationships for goods
15 or services with independent contractors within that same industry.
16 The independent contractor may deliver personal services such as the
17 transportation of persons to the direct industry service provider
18 itself or to third parties. Direct industry service providers include,
19 but are not limited to, vehicle dispatch services and the lessors of
20 vehicles specifically licensed for operation within a single industry.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 51.12 RCW
22 to read as follows:

23 (1) Any business that is licensed pursuant to or operating a for
24 hire vehicle under chapter 46.72, 46.72A, or 81.72 RCW and that is
25 operating such vehicle as a for hire operator is within the mandatory
26 coverage of this title.

27 (2) Any direct industry service provider that is leasing as the
28 owner of such vehicle, or on the owner's behalf, a for hire vehicle to
29 an urban transportation business is within the mandatory coverage of
30 this title.

31 (3) For the purposes of this section:

32 (a) "For hire vehicle" and "for hire operator" have the same
33 meaning as provided in RCW 46.72.010.

34 (b) "Direct industry service provider" has the same meaning as
35 provided in section 2 of this act.

1 industrial insurance claims by independently operated for hire vehicle
2 and taxicab businesses, the department may empower a panel of
3 individuals with for hire vehicle and taxicab transportation industry
4 experience and expertise to advise the department.

5 (2) The owner of any for hire vehicle subject to mandatory
6 industrial insurance pursuant to this act is eligible for inclusion in
7 a retrospective rating program authorized and established pursuant to
8 chapter 51.18 RCW. However, the entity sponsoring such program may
9 have been in existence less than four years provided that it can
10 reasonably demonstrate capability to the department.

11 NEW SECTION. **Sec. 7.** A new section is added to chapter 81.72 RCW
12 to read as follows:

13 (1) Any city, county, or port district setting the rates charged
14 for taxicab service under this chapter, or for hire vehicles or
15 limousines operating under the authority of chapter 46.72 or 46.72A RCW
16 or a taxicab under chapter 46.72 RCW, must: (a) Consider the impact of
17 mandatory industrial insurance on such businesses and direct industry
18 service providers in the calculation and setting of rates; and (b)
19 adjust rates to offset any increased cost to any such transportation
20 business or direct industry service provider from mandatory industrial
21 or other insurance coverage.

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

24 **Sec. 8.** RCW 81.72.210 and 1984 c 126 s 2 are each amended to read
25 as follows:

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

30 (1) Regulating entry into the business of providing taxicab
31 transportation services;

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

35 (3) Controlling the consumer rates charged for providing taxicab

1 transportation service and the manner in which consumer rates are
2 calculated and collected, including the establishment of zones as the
3 basis for consumer rates;

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

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

7 (6) Any other requirements adopted to ensure safe and reliable
8 taxicab service.

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