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HOUSE BILL 2716

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State of Washington                      65th Legislature                      2018 Regular Session

By Representatives Tarleton, Orcutt, Wylie, and Harmsworth

Read first time 01/12/18. Referred to Committee on Transportation.

1            AN ACT Relating to transportation network companies; amending RCW  
2 43.79A.040, 48.177.010, 46.72.160, 46.74.020, 81.68.015, and  
3 19.182.040; adding a new chapter to Title 46 RCW; recodifying RCW  
4 48.177.010; repealing RCW 48.177.005; and prescribing penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.** The purpose of this chapter is to: Provide  
7 statewide uniform regulation for transportation network companies  
8 within the state of Washington, encourage technological innovation,  
9 and preserve and enhance access to important transportation options  
10 for residents and visitors to Washington state.

11           NEW SECTION.    **Sec. 2.** The definitions in this section apply  
12 throughout this chapter unless the context clearly requires  
13 otherwise.

14           (1) "Digital network" means any online-enabled technology  
15 application service, web site, or system offered or utilized by a  
16 transportation network company that enables the prearrangement of  
17 rides with transportation network company drivers.

18           (2) "Local law enforcement officer" means, for purposes of  
19 enforcement, any person authorized by a municipality or county, as  
20 applicable, to carry out enforcement activities under this chapter.

1 (3) "Municipality" means a city, town, or code city with a  
2 certificate of incorporation, or township created by an act of the  
3 state.

4 (4) "Prearranged ride" means the provision of transportation by a  
5 transportation network company driver to a transportation network  
6 company rider, beginning when a transportation network company driver  
7 accepts a ride requested by a transportation network company rider  
8 through a digital network controlled by a transportation network  
9 company, continuing while the transportation network company driver  
10 transports the transportation network company rider, and ending when  
11 the last transportation network company rider departs from the  
12 transportation network company vehicle. "Prearranged ride" does not  
13 include: (a) Transportation provided using a vehicle operating as a  
14 taxi, limousine, motor carrier as defined in RCW 81.80.010, or other  
15 for hire vehicle pursuant to chapter 46.72, 46.73, or 81.72 RCW; (b)  
16 a shared expense carpool or vanpool arrangement or service as defined  
17 as ride sharing in RCW 46.74.010; (c) transportation provided by an  
18 auto transportation company as defined in RCW 81.68.010; or (d)  
19 transportation provided by metropolitan public transportation as  
20 defined in RCW 35.58.020.

21 (5) "Transportation network company" means a corporation,  
22 partnership, sole proprietorship, or other entity that is licensed  
23 under this chapter and operating in Washington state and uses a  
24 digital network to connect transportation network company riders to  
25 transportation network company drivers who provide prearranged rides.  
26 "Transportation network company" does not include a taxicab  
27 transportation service provided under chapter 46.72 or 81.72 RCW, an  
28 auto transportation company as defined in RCW 81.68.010, or  
29 metropolitan public transportation as defined in RCW 35.58.020.

30 (6) "Transportation network company driver" means an individual  
31 who:

32 (a) Receives connections to potential transportation network  
33 company riders and related services from a transportation network  
34 company; and

35 (b) Uses a transportation network company vehicle to offer or  
36 provide a prearranged ride to transportation network company riders  
37 upon connection through a digital network controlled by a  
38 transportation network company in exchange for compensation or  
39 payment of a fee.

1 (7) "Transportation network company rider" means an individual or  
2 persons who use a transportation network company's digital network to  
3 connect with a transportation network company driver who provides  
4 prearranged rides to the rider in the transportation network company  
5 driver's transportation network company vehicle between points chosen  
6 by the rider.

7 (8) "Transportation network company services" means services  
8 provided by a transportation network company driver at any time that  
9 a transportation network company driver is logged in to a  
10 transportation network company's digital network or providing a  
11 prearranged ride. "Transportation network company services" does not  
12 include services provided either directly or under contract with a  
13 political subdivision or other entity exempt from federal income tax  
14 under 26 U.S.C. Sec. 115 of the federal internal revenue code.

15 (9) "Transportation network company vehicle" means a vehicle  
16 that:

17 (a) Is used by a transportation network company driver to provide  
18 a prearranged ride;

19 (b) Is owned, leased, or otherwise authorized for use by the  
20 transportation network company driver;

21 (c) Is not operating as a taxicab, limousine, commuter ride-  
22 sharing vehicle, auto transportation company vehicle, or metropolitan  
23 public transportation vehicle for purposes of chapter 35.58, 46.72,  
24 46.72A, 46.73, 46.74, 46.76, 81.68, or 81.72 RCW; and

25 (d) Has a seating capacity of fewer than eight persons, excluding  
26 the driver.

27 NEW SECTION. **Sec. 3.** A transportation network company or  
28 transportation network company driver is not a common carrier, motor  
29 carrier, or any other carrier as defined in RCW 81.80.010, and does  
30 not provide commuter ride sharing, taxicab, auto transportation  
31 company services, or metropolitan public transportation services  
32 pursuant to chapter 35.58, 46.72, 46.73, 81.68, or 81.72 RCW. A  
33 transportation network company driver is not required to register a  
34 transportation network company vehicle used to provide prearranged  
35 rides as a commercial vehicle or for hire vehicle.

36 NEW SECTION. **Sec. 4.** (1) A person must first obtain a permit  
37 from the department to operate a transportation network company in  
38 Washington state, except that any transportation network company

1 operating in the state before the effective date of this section may  
2 continue operating until the department creates a permit process and  
3 sets a registration deadline.

4 (2) The department must annually issue a permit to each applicant  
5 that meets the requirements for a transportation network company as  
6 set forth in this chapter and pays an annual permit fee of five  
7 thousand dollars to the department.

8 (3) The department must deposit the permit fees collected under  
9 this section into the transportation network company account created  
10 in section 21 of this act.

11 NEW SECTION. **Sec. 5.** Any transportation network company  
12 operating in Washington state must maintain an agent for service of  
13 process in the state.

14 NEW SECTION. **Sec. 6.** (1) On behalf of a transportation network  
15 company driver, a transportation network company may charge a fare  
16 for transportation network company services provided to any  
17 transportation network company rider, but must disclose to the rider  
18 the fare or fare calculation method on its web site or within its  
19 digital network. Before a rider enters a transportation network  
20 company vehicle, the transportation network company must provide, on  
21 behalf of the transportation network company driver, either the fare  
22 for the prearranged ride or the option to receive an estimated fare  
23 for the prearranged ride.

24 (2) During a state of emergency, as declared by the governor or  
25 the president of the United States, a transportation network company  
26 may not charge a fare for transportation network company services  
27 provided to any transportation network company rider that exceeds two  
28 and one-half times the fare that would otherwise be applicable for  
29 the prearranged ride.

30 NEW SECTION. **Sec. 7.** A transportation network company's digital  
31 network or web site must display a photograph of the transportation  
32 network company driver and the license plate number of the  
33 transportation network company vehicle before the transportation  
34 network company rider enters the vehicle.

35 NEW SECTION. **Sec. 8.** Within one week following the completion  
36 of a trip, a transportation network company must transmit an

1 electronic receipt to the transportation network company rider on  
2 behalf of the transportation network company driver that lists:

- 3 (1) The origin and destination of the trip;
- 4 (2) The total time and distance of the trip; and
- 5 (3) An itemization of the total fare paid, if any.

6 NEW SECTION. **Sec. 9.** (1) A transportation network company must  
7 implement a zero tolerance policy regarding a transportation network  
8 company driver's activities while accessing the transportation  
9 network company's digital network. The zero tolerance policy must  
10 address the use of drugs or alcohol while a transportation network  
11 company driver is providing prearranged rides or is logged in to the  
12 transportation network company's digital network but is not providing  
13 prearranged rides.

14 (2) A transportation network company must provide notice of this  
15 policy on its web site, as well as procedures to report a complaint  
16 about a transportation network company driver with whom a  
17 transportation network company rider was matched and whom the rider  
18 reasonably suspects was under the influence of drugs or alcohol  
19 during the course of the trip.

20 (3) Upon receipt of a complaint alleging a violation of the zero  
21 tolerance policy, the transportation network company must suspend the  
22 transportation network company driver's ability to accept trip  
23 requests through the transportation network company's digital network  
24 as soon as possible and conduct an investigation into the reported  
25 incident. The suspension must last the duration of the investigation.  
26 If the transportation network company determines that the  
27 transportation network company driver violated the zero tolerance  
28 policy, the transportation network company must take appropriate  
29 action against the driver, including, at a minimum, suspending the  
30 driver from the transportation network company's digital network  
31 until the transportation network company determines that the driver  
32 is compliant with the zero tolerance policy.

33 (4) A transportation network company must maintain records  
34 relevant to the enforcement of the policy under this section for a  
35 period of at least two years from the date that a transportation  
36 network company rider complaint is received by the transportation  
37 network company.

1        NEW SECTION.    **Sec. 10.**    (1) Before allowing an individual to  
2 accept trip requests as a transportation network company driver  
3 through a transportation network company's digital network:

4        (a) The individual must submit an application to the  
5 transportation network company, which includes information regarding  
6 his or her name, address, phone, age, driver's license number, motor  
7 vehicle registration, automobile liability insurance, and other  
8 information required by the transportation network company;

9        (b) The transportation network company, or a designated third  
10 party on behalf of the transportation network company, that is either  
11 nationally accredited or approved by the director, must conduct an  
12 annual local and national criminal background check for the applicant  
13 to include a review of:

14        (i) A multistate/multijurisdiction criminal records locator or  
15 other similar commercial nationwide database with validation (primary  
16 source search); and

17        (ii) The United States department of justice national sex  
18 offender public web site; and

19        (c) The transportation network company, or designated third  
20 party, must obtain and review a driving history report for the  
21 individual.

22        (2) A transportation network company must not permit an  
23 individual to act as a transportation network company driver on its  
24 digital network who:

25        (a) Has had more than three moving violations in the prior three-  
26 year period, or one of the following major violations in the prior  
27 three-year period:

28        (i) Attempting to elude the police pursuant to RCW 46.61.024;

29        (ii) Reckless driving pursuant to RCW 46.61.500; or

30        (iii) Driving on a suspended or revoked driver's license pursuant  
31 to RCW 46.20.342 or 46.20.345;

32        (b) Has been convicted, within the past seven years, of:

33        (i) Any class A or B felony, as defined in Title 9A RCW;

34        (ii) Any violent offense as defined in RCW 9.94A.030, or serious  
35 violent offense defined in RCW 9.94A.030;

36        (iii) Any most serious offense as defined in RCW 9.94A.030; or

37        (iv) Driving under the influence, hit and run, or any other  
38 driving-related crime pursuant to RCW 46.61.500 through 46.61.540;

1 (c) Has been convicted of any sex offense as defined in RCW  
2 9.94A.030 or is a match in the United States department of justice  
3 national sex offender public web site;

4 (d) Does not possess a valid driver's license;

5 (e) Does not possess proof of automobile liability insurance for  
6 the motor vehicle or vehicles used to provide prearranged rides;

7 (f) Is not at least twenty years of age; or

8 (g) Has not self-certified that he or she is physically and  
9 mentally fit to be a transportation network company driver.

10 (3) Subsection (2)(a) and (b) of this section apply to any  
11 conviction of any offense committed in another jurisdiction that  
12 includes all of the elements of any of the offenses described or  
13 defined in subsection (2)(a) and (b) of this section.

14 NEW SECTION. **Sec. 11.** (1) A transportation network company must  
15 require that any motor vehicle that a transportation network company  
16 driver will use to provide prearranged rides:

17 (a) Is not more than twelve years old as determined by the model  
18 year of the vehicle;

19 (b) Meets the emissions requirements for motor vehicles; and

20 (c) Has received a safety inspection by a third party in the last  
21 year that includes the following components:

22 (i) Foot brakes;

23 (ii) Parking brakes;

24 (iii) Steering mechanism;

25 (iv) Windshield;

26 (v) Rear window and other glass;

27 (vi) Windshield wipers;

28 (vii) Headlights;

29 (viii) Taillights;

30 (ix) Brake lights;

31 (x) Front seat adjustment mechanism;

32 (xi) Doors;

33 (xii) Turn signal lights;

34 (xiii) Horn;

35 (xiv) Speedometer;

36 (xv) Bumpers;

37 (xvi) Muffler and exhaust system;

38 (xvii) Tires, including tread depth;

39 (xviii) Interior and exterior mirrors; and

1 (xix) Safety belts.

2 (2) All transportation network company vehicles must display  
3 trade dress that is visible to the rider when outside the vehicle  
4 when providing transportation network company services.

5 (3) A transportation network company must inform a transportation  
6 network company driver of the driver's responsibility to comply with  
7 all applicable safety recalls issued by a vehicle manufacturer or the  
8 national highway traffic safety administration for each motor vehicle  
9 the driver will use to provide prearranged rides.

10 NEW SECTION. **Sec. 12.** A transportation network company driver  
11 may not:

12 (1) Solicit or accept a trip request to provide transportation  
13 network company services other than a trip request arranged through a  
14 transportation network company's digital network;

15 (2) Provide transportation network company services for more than  
16 fourteen consecutive hours in a twenty-four hour period; or

17 (3) Allow any other individual to use that driver's access to a  
18 transportation network company's digital network.

19 NEW SECTION. **Sec. 13.** (1) A transportation network company must  
20 adopt a policy of nondiscrimination on the basis of destination,  
21 race, color, national origin, religious belief or affiliation, sex,  
22 disability, age, sexual orientation, or gender identity with respect  
23 to transportation network company riders and potential riders and  
24 notify transportation network company drivers of such policy.

25 (2) A transportation network company driver must comply with all  
26 applicable laws regarding nondiscrimination against transportation  
27 network company riders or potential riders on the basis of race,  
28 color, national origin, religious belief or affiliation, sex,  
29 disability, age, sexual orientation, or gender identity.

30 (3) A transportation network company driver must comply with all  
31 applicable laws relating to the transportation of service animals.

32 (4) A transportation network company may not impose additional  
33 charges for providing services to persons with disabilities because  
34 of those disabilities.

35 NEW SECTION. **Sec. 14.** A transportation network company must  
36 maintain the following records:



1 (1) Individual trip records for at least three years from the end  
2 of the calendar year in which each trip was provided; and

3 (2) Individual records of transportation network company drivers  
4 at least until the end of the calendar year marking the three-year  
5 anniversary of the date on which a transportation network company  
6 driver's relationship with the transportation network company has  
7 ended.

8 NEW SECTION. **Sec. 15.** (1) For the sole purpose of verifying  
9 that a transportation network company is in compliance with the  
10 requirements of this chapter and no more than twice per year, the  
11 department, or the local authority for a city with a population of  
12 more than five hundred thousand or a county with a population of more  
13 than one million, may review a sample of records that the  
14 transportation network company is required to maintain under this  
15 chapter. The sample of records must be chosen randomly by the  
16 department or local authority in a manner agreeable to both parties.  
17 Any audit must take place at a mutually agreed location in the state  
18 of Washington. Any record sample furnished to the department or local  
19 authority may exclude information that would tend to identify  
20 specific transportation network company drivers or riders.

21 (2) Notwithstanding RCW 42.56.270, records provided to the  
22 department or a local authority for inspection under this chapter are  
23 designated confidential and are not subject to disclosure to a third  
24 party by the department or local authority without prior written  
25 consent of the transportation network company and the transportation  
26 network company driver.

27 NEW SECTION. **Sec. 16.** (1)(a) Each prearranged ride provided by  
28 a transportation network company driver to a transportation network  
29 company rider while on the transportation network company's digital  
30 network must be assessed a ten-cent per trip passenger surcharge fee  
31 to cover the costs of enforcement and regulation of state  
32 transportation network company licensing and to be distributed to  
33 local political divisions of the state.

34 (b) The director may, by rule adopted under section 20 of this  
35 act, review the per trip surcharge fee imposed under (a) of this  
36 subsection not more frequently than annually, and increase the fee by  
37 rule to cover costs related to the continuing administration and  
38 enforcement of this chapter by the department, or by local

1 authorities as permitted under this chapter, provided that any  
2 increase is limited to the extent such costs are not covered by the  
3 fee.

4 (2) Using geographic information system data, a transportation  
5 network company must determine whether each prearranged ride  
6 originated within the incorporated boundaries of a municipality, or  
7 outside of the incorporated boundaries of a municipality and within  
8 the boundaries of a county of this state.

9 (3) Within thirty days of the end of each calendar quarter, a  
10 transportation network company must submit to the department:

11 (a) The total amount of passenger surcharge fees collected by a  
12 transportation network company on behalf of transportation network  
13 company drivers; and

14 (b) For trips that originated in a municipality or unincorporated  
15 county, a report listing the percentage of the yearly total amount of  
16 passenger surcharge fees from trips that originated in each  
17 municipality or unincorporated county during the reporting period.

18 (4) The department must retain such amount of the passenger  
19 surcharge fee collected under subsection (3)(a) of this section as is  
20 necessary to cover the expenses borne by the department derived from  
21 the: (a) Regulation and registration of transportation network  
22 companies; and (b) the collection, remittance, and distribution of  
23 passenger surcharge fees under this section. The department must  
24 deposit these funds in the transportation network company account  
25 created in section 21 of this act.

26 (5) Within sixty days of the end of each calendar quarter, the  
27 department must distribute the remaining portion of the total  
28 passenger surcharge fees collected under subsection (3)(a) of this  
29 section less the amount retained under subsection (4) of this section  
30 to each municipality or county where a trip originated during the  
31 reporting period. The distribution to each municipality or county  
32 must be proportionate to the percentage of the yearly total amount of  
33 surcharge fees that originated in each municipality or county. The  
34 funds collected by each municipality or county under this subsection  
35 must be used to fund enforcement activities by the municipalities and  
36 counties relating to this chapter.

37 NEW SECTION. **Sec. 17.** (1) In addition to the surcharge fee  
38 assessed under section 16 of this act, each prearranged ride provided  
39 by a transportation network company driver to a transportation

1 network company rider that originates in a city with a population of  
2 two hundred thousand or more or in a county with a population of one  
3 million or more must be assessed a ten cent per trip surcharge fee to  
4 offset costs associated with improving transportation options for  
5 individuals with disabilities.

6 (2) The surcharge fee assessed under subsection (1) of this  
7 section may be used to provide for, but is not limited to,  
8 reimbursement for: Costs associated with converting or purchasing a  
9 vehicle to be used as a taxicab or transportation network company  
10 vehicle that is fully wheelchair accessible by ramp or lift; costs  
11 for a transportation network company, taxicab company, or other for  
12 hire vehicle company to provide wheelchair-accessible vehicle rides  
13 to customers when the cost to provide the ride exceeds the cost  
14 charged to the customer; or extra fuel and maintenance costs.

15 (3) The surcharge fee assessed under subsection (1) of this  
16 section must be remitted directly to each applicable city and county  
17 within thirty days of the end of each calendar quarter.

18 NEW SECTION. **Sec. 18.** (1) If the department determines, after  
19 notice and a hearing, that a transportation network company is in  
20 violation of this chapter or any rule adopted under this chapter, the  
21 department may issue a monetary penalty or suspend or revoke a  
22 transportation network company permit, or both, in accordance with  
23 this chapter. In determining the amount of any monetary penalty, the  
24 department must consider the size of the transportation network  
25 company based on the number of intrastate trips provided by the  
26 transportation network company in the previous calendar year, the  
27 gravity of the violation, the degree to which the transportation  
28 network company exercised good faith in attempting to achieve  
29 compliance or to remedy noncompliance, and any previous violations by  
30 the transportation network company cited by the department. Any  
31 deceptive, manipulative, or coordinated practice used by a  
32 transportation network company to evade authorities, including  
33 through the use of a digital network or the system supporting the  
34 digital network, is a violation of this chapter.

35 (2) The department must adopt rules to establish a process for  
36 the administrative appeal of any penalty, suspension, or revocation  
37 imposed by the department in accordance with this section.

1        NEW SECTION.    **Sec. 19.**    The uniform regulation of business and  
2 professions act, chapter 18.235 RCW, governs unlicensed practice, the  
3 issuance and denial of licenses, and the discipline of licensees  
4 under this chapter.

5        NEW SECTION.    **Sec. 20.**    The director may adopt rules consistent  
6 with and as necessary to carry out this chapter.

7        NEW SECTION.    **Sec. 21.**    The transportation network company  
8 account is created in the custody of the state treasurer. All  
9 receipts from sections 4(2) and 16(4) of this act must be deposited  
10 into the account. Expenditures from the account may be used only for  
11 the purposes provided in section 16(4) of this act. Only the director  
12 or the director's designee may authorize expenditures from the  
13 account. The account is subject to allotment procedures under chapter  
14 43.88 RCW, but an appropriation is not required for expenditures.

15        **Sec. 22.**    RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each  
16 amended to read as follows:

17        (1) Money in the treasurer's trust fund may be deposited,  
18 invested, and reinvested by the state treasurer in accordance with  
19 RCW 43.84.080 in the same manner and to the same extent as if the  
20 money were in the state treasury, and may be commingled with moneys  
21 in the state treasury for cash management and cash balance purposes.

22        (2) All income received from investment of the treasurer's trust  
23 fund must be set aside in an account in the treasury trust fund to be  
24 known as the investment income account.

25        (3) The investment income account may be utilized for the payment  
26 of purchased banking services on behalf of treasurer's trust funds  
27 including, but not limited to, depository, safekeeping, and  
28 disbursement functions for the state treasurer or affected state  
29 agencies. The investment income account is subject in all respects to  
30 chapter 43.88 RCW, but no appropriation is required for payments to  
31 financial institutions. Payments must occur prior to distribution of  
32 earnings set forth in subsection (4) of this section.

33        (4)(a) Monthly, the state treasurer must distribute the earnings  
34 credited to the investment income account to the state general fund  
35 except under (b), (c), and (d) of this subsection.

36        (b) The following accounts and funds must receive their  
37 proportionate share of earnings based upon each account's or fund's

1 average daily balance for the period: The 24/7 sobriety account, the  
2 Washington promise scholarship account, the Gina Grant Bull memorial  
3 legislative page scholarship account, the Washington advanced college  
4 tuition payment program account, the Washington college savings  
5 program account, the accessible communities account, the Washington  
6 achieving a better life experience program account, the community and  
7 technical college innovation account, the agricultural local fund,  
8 the American Indian scholarship endowment fund, the foster care  
9 scholarship endowment fund, the foster care endowed scholarship trust  
10 fund, the contract harvesting revolving account, the Washington state  
11 combined fund drive account, the commemorative works account, the  
12 county enhanced 911 excise tax account, the toll collection account,  
13 the developmental disabilities endowment trust fund, the energy  
14 account, the fair fund, the family and medical leave insurance  
15 account, the food animal veterinarian conditional scholarship  
16 account, the forest health revolving account, the fruit and vegetable  
17 inspection account, the future teachers conditional scholarship  
18 account, the game farm alternative account, the GET ready for math  
19 and science scholarship account, the Washington global health  
20 technologies and product development account, the grain inspection  
21 revolving fund, the industrial insurance rainy day fund, the juvenile  
22 accountability incentive account, the law enforcement officers' and  
23 firefighters' plan 2 expense fund, the local tourism promotion  
24 account, the low-income home rehabilitation revolving loan program  
25 account, the multiagency permitting team account, the northeast  
26 Washington wolf-livestock management account, the pilotage account,  
27 the produce railcar pool account, the regional transportation  
28 investment district account, the rural rehabilitation account, the  
29 Washington sexual assault kit account, the stadium and exhibition  
30 center account, the youth athletic facility account, the self-  
31 insurance revolving fund, the children's trust fund, the  
32 transportation network company account, the Washington horse racing  
33 commission Washington bred owners' bonus fund and breeder awards  
34 account, the Washington horse racing commission class C purse fund  
35 account, the individual development account program account, the  
36 Washington horse racing commission operating account, the life  
37 sciences discovery fund, the Washington state heritage center  
38 account, the reduced cigarette ignition propensity account, the  
39 center for childhood deafness and hearing loss account, the school  
40 for the blind account, the Millersylvania park trust fund, the public

1 employees' and retirees' insurance reserve fund, and the radiation  
2 perpetual maintenance fund.

3 (c) The following accounts and funds must receive eighty percent  
4 of their proportionate share of earnings based upon each account's or  
5 fund's average daily balance for the period: The advanced right-of-  
6 way revolving fund, the advanced environmental mitigation revolving  
7 account, the federal narcotics asset forfeitures account, the high  
8 occupancy vehicle account, the local rail service assistance account,  
9 and the miscellaneous transportation programs account.

10 (d) Any state agency that has independent authority over accounts  
11 or funds not statutorily required to be held in the custody of the  
12 state treasurer that deposits funds into a fund or account in the  
13 custody of the state treasurer pursuant to an agreement with the  
14 office of the state treasurer shall receive its proportionate share  
15 of earnings based upon each account's or fund's average daily balance  
16 for the period.

17 (5) In conformance with Article II, section 37 of the state  
18 Constitution, no trust accounts or funds shall be allocated earnings  
19 without the specific affirmative directive of this section.

20 NEW SECTION. **Sec. 23.** (1) Except as provided otherwise in this  
21 section, the state of Washington expressly occupies and preempts: (a)  
22 The requirements for entry into the business of providing  
23 transportation network company services, including without  
24 limitation, licensing and permits for transportation network  
25 companies and transportation network company drivers; and all  
26 requirements, applications, certifications, examinations, and  
27 background checks for transportation network company drivers, and the  
28 processing and adjudication of each; (b) the issuance, revocation,  
29 cancellation or refusal to issue or renew a transportation network  
30 company license or permit; (c) all rate or fare requirements for  
31 transportation network companies within the boundaries of the state,  
32 including control of the rates charged for transportation network  
33 company services and manner in which those rates are calculated and  
34 collected; (d) the routes and operations of transportation network  
35 companies, transportation network company drivers and transportation  
36 network company vehicles; and (e) safety and equipment requirements  
37 for transportation network companies, transportation network company  
38 drivers, and transportation network company vehicles.

1 (2) Nothing in this section limits the authority of any  
2 municipality, county, or port district to adopt requirements to  
3 ensure safe and reliable for hire transportation as authorized under  
4 RCW 46.72.160, so long as any requirements are consistent with this  
5 chapter.

6 (3) This section does not limit the authority of a city with a  
7 population of five hundred thousand or more or a county with a  
8 population of one million or more to enforce this chapter, including  
9 any rules adopted by the department under this chapter, as applicable  
10 to transportation network companies, transportation network company  
11 drivers, and transportation network company vehicles.

12 (4) Any public entity operating a commercial airport facility may  
13 fully regulate all transportation network company activities related  
14 to the provision of transportation network company services at the  
15 airport facility or on airport facility property including, but not  
16 limited to, rate, entry, and operational requirements and the  
17 enforcement of the public entity's rules and regulations; provided,  
18 however, that the state maintains the authority as set forth in  
19 sections 3, 4, 5, 7, 8, 9, 10, 11 (1)(a) and (c), (2), and (3), and  
20 12 of this act. This chapter does not limit the authority of a public  
21 entity operating an airport facility from requiring a transportation  
22 network company permitted under section 4 of this act to enter into a  
23 contract or agreement governing the operations of the transportation  
24 network company on airport facility property.

25 (5) This chapter does not affect the authority of a municipality,  
26 county, or other local governmental entity from regulating and  
27 enforcing rules relating to traffic flow, traffic patterns, and  
28 roadways, including the public right-of-way, to ensure public safety  
29 and convenience and, if applicable, imposing impact fees.

30 **Sec. 24.** RCW 48.177.010 and 2015 c 236 s 2 are each amended to  
31 read as follows:

32 (1)(a) Before being used to provide (~~commercial~~) transportation  
33 network company services, every personal vehicle must be covered by a  
34 primary automobile insurance policy that specifically covers  
35 (~~commercial~~) transportation network company services. However, the  
36 insurance coverage requirements of this section are alternatively  
37 satisfied by securing coverage pursuant to chapter 46.72 or 46.72A  
38 RCW that covers the personal vehicle being used to provide  
39 (~~commercial~~) transportation network company services and that is in

1 effect twenty-four hours per day, seven days per week. Except as  
2 provided in subsection (2) of this section, a ~~((commercial))~~  
3 transportation ~~((services provider))~~ network company must secure this  
4 policy for every personal vehicle used to provide ~~((commercial))~~  
5 transportation network company services. For purposes of this  
6 section, a "primary automobile insurance policy" is not a private  
7 passenger automobile insurance policy.

8 (b) The primary automobile insurance policy required under this  
9 section must provide coverage, as specified in this subsection  
10 (1)(b), at all times the driver is logged in to a ~~((commercial))~~  
11 transportation ~~((services provider's))~~ network company's digital  
12 network ~~((or software application))~~ and at all times a passenger is  
13 in ~~((the))~~ a transportation network company vehicle as part of a  
14 prearranged ride.

15 (i) The primary automobile insurance policy required under this  
16 subsection must provide the following coverage during ~~((commercial))~~  
17 transportation network company services applicable during the period  
18 before a driver accepts a requested ride through a digital network  
19 ~~((or software application))~~:

20 (A) Liability coverage in an amount no less than fifty thousand  
21 dollars per person for bodily injury, one hundred thousand dollars  
22 per accident for bodily injury of all persons, and thirty thousand  
23 dollars for damage to property;

24 (B) Underinsured motorist coverage to the extent required under  
25 RCW 48.22.030; and

26 (C) Personal injury protection coverage to the extent required  
27 under RCW 48.22.085 and 48.22.095.

28 (ii) The primary automobile insurance policy required under this  
29 subsection must provide the following coverage, applicable during the  
30 period of a prearranged ride:

31 (A) Combined single limit liability coverage in the amount of one  
32 million dollars for death, personal injury, and property damage;

33 (B) Underinsured motorist coverage in the amount of one million  
34 dollars; and

35 (C) Personal injury protection coverage to the extent required  
36 under RCW 48.22.085 and 48.22.095.

37 (2)(a) As an alternative to the provisions of subsection (1) of  
38 this section, if the office of the insurance commissioner approves  
39 the offering of an insurance policy that recognizes that a person is  
40 acting as a transportation network company driver ~~((for a commercial~~



1 ~~transportation services provider~~) and using a personal vehicle to  
2 provide (~~commercial~~) transportation network company services, a  
3 driver may secure a primary automobile insurance policy covering a  
4 personal vehicle and providing the same coverage as required in  
5 subsection (1) of this section. The policy coverage may be in the  
6 form of a rider to, or endorsement of, the driver's private passenger  
7 automobile insurance policy only if approved as such by the office of  
8 the insurance commissioner.

9 (b) If the primary automobile insurance policy maintained by a  
10 driver to meet the obligation of this section does not provide  
11 coverage for any reason, including that the policy lapsed or did not  
12 exist, the (~~commercial~~) transportation (~~services provider~~)  
13 network company must provide the coverage required under this section  
14 beginning with the first dollar of a claim.

15 (c) The primary automobile insurance policy required under this  
16 subsection and subsection (1) of this section may be secured by any  
17 of the following:

18 (i) The (~~commercial~~) transportation (~~services provider~~)  
19 network company as provided under subsection (1) of this section;

20 (ii) The transportation network company driver as provided under  
21 (a) of this subsection; or

22 (iii) A combination of both the (~~commercial~~) transportation  
23 (~~services provider~~) network company and the transportation network  
24 company driver.

25 (3) The insurer or insurers providing coverage under subsections  
26 (1) and (2) of this section are the only insurers having the duty to  
27 defend any liability claim from an accident occurring while  
28 (~~commercial~~) transportation network company services are being  
29 provided.

30 (4) In addition to the requirements in subsections (1) and (2) of  
31 this section, before allowing a person to provide (~~commercial~~)  
32 transportation network company services as a transportation network  
33 company driver, a (~~commercial~~) transportation (~~services provider~~)  
34 network company must provide written proof to the driver that the  
35 driver is covered by a primary automobile insurance policy that meets  
36 the requirements of this section. Alternatively, if a transportation  
37 network company driver purchases a primary automobile insurance  
38 policy as allowed under subsection (2) of this section, the  
39 (~~commercial~~) transportation (~~services provider~~) network company  
40 must verify that the driver has done so.

1 (5) A primary automobile insurance policy required under  
2 subsection (1) or (2) of this section may be placed with an insurer  
3 licensed under this title to provide insurance in the state of  
4 Washington or as an eligible surplus line insurance policy as  
5 described in RCW 48.15.040.

6 (6) Insurers that write automobile insurance in Washington may  
7 exclude any and all coverage afforded under a private passenger  
8 automobile insurance policy issued to an owner or operator of a  
9 personal vehicle for any loss or injury that occurs while a  
10 transportation network company driver (~~(for a commercial~~  
11 ~~transportation services provider))~~) is logged in to a (~~(commercial)~~)  
12 transportation (~~(services provider's)~~) network company's digital  
13 network or while a transportation network company driver provides a  
14 prearranged ride. This right to exclude all coverage may apply to any  
15 coverage included in a private passenger automobile insurance policy  
16 including, but not limited to:

- 17 (a) Liability coverage for bodily injury and property damage;
- 18 (b) Personal injury protection coverage;
- 19 (c) Underinsured motorist coverage;
- 20 (d) Medical payments coverage;
- 21 (e) Comprehensive physical damage coverage; and
- 22 (f) Collision physical damage coverage.

23 (7) Nothing in this section shall be construed to require a  
24 private passenger automobile insurance policy to provide primary or  
25 excess coverage or a duty to defend for the period of time in which a  
26 transportation network company driver is logged in to a  
27 (~~(commercial)~~) transportation (~~(services provider's)~~) network  
28 company's digital network (~~(or software application))~~) or while the  
29 driver is engaged in a prearranged ride or the driver otherwise uses  
30 a vehicle to transport passengers for compensation.

31 (8) Insurers that exclude coverage under subsection (6) of this  
32 section have no duty to defend or indemnify any claim expressly  
33 excluded under subsection (6) of this section. Nothing in this  
34 section shall be deemed to invalidate or limit an exclusion contained  
35 in a policy, including any policy in use or approved for use in  
36 Washington state before July 24, 2015, that excludes coverage for  
37 vehicles used to carry persons or property for a charge or available  
38 for hire by the public.

39 (9) An exclusion exercised by an insurer in subsection (6) of  
40 this section applies to any coverage selected or rejected by a named

1 insured under RCW 48.22.030 and 48.22.085. The purchase of a rider or  
2 endorsement by a transportation network company driver under  
3 subsection (2)(a) of this section does not require a separate  
4 coverage rejection under RCW 48.22.030 or 48.22.085.

5 (10) If more than one insurance policy provides valid and  
6 collectible coverage for a loss arising out of an occurrence  
7 involving a motor vehicle operated by a transportation network  
8 company driver, the responsibility for the claim must be divided as  
9 follows:

10 (a) Except as provided otherwise under subsection (2)(c) of this  
11 section, if the driver has been matched with a passenger and is  
12 traveling to pick up the passenger, or the driver is providing  
13 transportation network company services to a passenger, the  
14 ~~((commercial))~~ transportation ~~((services provider))~~ network company  
15 that matched the driver and passenger must provide insurance  
16 coverage; or

17 (b) If the driver is logged in to the digital network ~~((or~~  
18 ~~software application))~~ of more than one ~~((commercial))~~ transportation  
19 ~~((services provider))~~ network company but has not been matched with a  
20 passenger, the liability must be divided equally among all of the  
21 applicable insurance policies that specifically provide coverage for  
22 ~~((commercial))~~ transportation network company services.

23 (11) In an accident or claims coverage investigation, a  
24 ~~((commercial))~~ transportation ~~((services provider))~~ network company  
25 or its insurer must cooperate with a private passenger automobile  
26 insurance policy insurer and other insurers that are involved in the  
27 claims coverage investigation to facilitate the exchange of  
28 information, including the provision of (a) dates and times at which  
29 an accident occurred that involved a participating transportation  
30 network company driver and (b) within ten business days after  
31 receiving a request, a copy of the provider's electronic record  
32 showing the precise times that the participating driver logged on and  
33 off the provider's digital network ~~((or software application))~~ on the  
34 day the accident or other loss occurred. The ~~((commercial))~~  
35 transportation ~~((services provider))~~ network company or its insurer  
36 must retain all data, communications, or documents related to  
37 insurance coverage or accident details for a period of not less than  
38 the applicable statutes of limitation, plus two years from the date  
39 of an accident to which those records pertain.

1 (12) This section does not modify or abrogate any otherwise  
2 applicable insurance requirement set forth in this title.

3 (13) After July 1, 2016, an insurance company regulated under  
4 this title may not deny an otherwise covered claim arising  
5 exclusively out of the personal use of the private passenger  
6 automobile solely on the basis that the insured, at other times, used  
7 the private passenger automobile covered by the policy to provide  
8 ~~((commercial))~~ transportation network company services.

9 (14) If an insurer for a ~~((commercial))~~ transportation ~~((services  
10 provider))~~ network company makes a payment for a claim covered under  
11 comprehensive coverage or collision coverage, the ~~((commercial))~~  
12 transportation ~~((services-provider))~~ network company must cause its  
13 insurer to issue the payment directly to the business repairing the  
14 vehicle or jointly to the owner of the vehicle and the primary  
15 lienholder on the covered vehicle.

16 (15)(a) To be eligible for securing a primary automobile  
17 insurance policy under this section, a ~~((commercial))~~ transportation  
18 ~~((services-provider))~~ network company must make the following  
19 disclosures in writing to a prospective driver in the prospective  
20 driver's terms of service:

21 WHILE OPERATING ON THE DIGITAL NETWORK ~~((OR SOFTWARE  
22 APPLICATION))~~ OF THE ~~((COMMERCIAL))~~ TRANSPORTATION ~~((SERVICES  
23 PROVIDER))~~ NETWORK COMPANY, YOUR PRIVATE PASSENGER AUTOMOBILE  
24 INSURANCE POLICY MIGHT NOT AFFORD LIABILITY, UNDERINSURED MOTORIST,  
25 PERSONAL INJURY PROTECTION, COMPREHENSIVE, OR COLLISION COVERAGE,  
26 DEPENDING ON THE TERMS OF THE POLICY.

27 IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE ~~((COMMERCIAL))~~  
28 TRANSPORTATION NETWORK COMPANY SERVICES FOR OUR COMPANY HAS A LIEN  
29 AGAINST IT, YOU MUST NOTIFY THE LIENHOLDER THAT YOU WILL BE USING THE  
30 VEHICLE FOR ~~((COMMERCIAL))~~ TRANSPORTATION NETWORK COMPANY SERVICES  
31 THAT MAY VIOLATE THE TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.

32 (b) The prospective driver must acknowledge the terms of service  
33 electronically or by signature.

34 **Sec. 25.** RCW 46.72.160 and 1996 c 87 s 19 are each amended to  
35 read as follows:

36 Except as otherwise provided in chapter 46.--- RCW (the new  
37 chapter created in section 34 of this act), cities, counties, and  
38 port districts may license, control, and regulate all for hire

1 vehicles operating within their respective jurisdictions. The power  
2 to regulate includes:

3 (1) Regulating entry into the business of providing for hire  
4 vehicle transportation services;

5 (2) Requiring a license to be purchased as a condition of  
6 operating a for hire vehicle and the right to revoke, cancel, or  
7 refuse to reissue a license for failure to comply with regulatory  
8 requirements;

9 (3) Controlling the rates charged for providing for hire vehicle  
10 transportation service and the manner in which rates are calculated  
11 and collected;

12 (4) Regulating the routes and operations of for hire vehicles,  
13 including restricting access to airports;

14 (5) Establishing safety and equipment requirements; and

15 (6) Any other requirements adopted to ensure safe and reliable  
16 for hire vehicle transportation service.

17 **Sec. 26.** RCW 46.74.020 and 1979 c 111 s 2 are each amended to  
18 read as follows:

19 Ride-sharing vehicles are not deemed for hire vehicles and do not  
20 fall within the provisions of chapter 46.72 RCW or any other  
21 provision of Title 46 RCW affecting for hire vehicles or  
22 transportation network company vehicles, whether or not the ride-  
23 sharing operator receives compensation.

24 **Sec. 27.** RCW 81.68.015 and 2009 c 557 s 1 are each amended to  
25 read as follows:

26 This chapter does not apply to corporations or persons, their  
27 lessees, trustees, receivers, or trustees appointed by any court  
28 whatsoever insofar as they own, control, operate, or manage taxicabs,  
29 hotel buses, school buses, or any other carrier that does not come  
30 within the term "auto transportation company" as defined in RCW  
31 81.68.010.

32 This chapter does not apply to persons operating motor vehicles  
33 when operated wholly within the limits of incorporated cities or  
34 towns, and for a distance not exceeding three road miles beyond the  
35 corporate limits of the city or town in Washington in which the  
36 original starting point of the vehicle is located, and which  
37 operation either alone or in conjunction with another vehicle or  
38 vehicles is not a part of any journey beyond the three-mile limit.

1 This chapter does not apply to commuter ride sharing or ride  
2 sharing for persons with special transportation needs in accordance  
3 with RCW 46.74.010, so long as the ride-sharing operation does not  
4 compete with or infringe upon comparable service actually being  
5 provided before the initiation of the ride-sharing operation by an  
6 existing auto transportation company certificated under this chapter.

7 This chapter does not apply to a service carrying passengers for  
8 compensation over any public highway in this state between fixed  
9 termini or over a regular route if the commission finds, with or  
10 without a hearing, that the service does not serve an essential  
11 transportation purpose, is solely for recreation, and would not  
12 adversely affect the operations of the holder of a certificate under  
13 this chapter, and that exemption from this chapter is otherwise in  
14 the public interest. Companies providing these services must,  
15 however, obtain a permit under chapter 81.70 RCW.

16 This chapter does not apply to a service carrying passengers for  
17 compensation over any public highway in this state between fixed  
18 termini or over a regular route if the commission finds, with or  
19 without a hearing, that the service is provided pursuant to a  
20 contract with a state agency, or funded by a grant issued by the  
21 department of transportation, and that exemption from this chapter is  
22 otherwise in the public interest. Companies providing these services  
23 must, however, obtain a permit under chapter 81.70 RCW.

24 This chapter does not apply to transportation network companies,  
25 transportation network company drivers, or transportation network  
26 company vehicles under chapter 46.--- RCW (the new chapter created in  
27 section 34 of this act).

28 **Sec. 28.** RCW 19.182.040 and 2011 c 333 s 2 are each amended to  
29 read as follows:

30 (1) Except as authorized under subsection (2) of this section, no  
31 consumer reporting agency may make a consumer report containing any  
32 of the following items of information:

33 (a) Bankruptcies that, from date of adjudication of the most  
34 recent bankruptcy, antedate the report by more than ten years;

35 (b) Suits and judgments that, from date of entry, antedate the  
36 report by more than seven years or until the governing statute of  
37 limitations has expired, whichever is the longer period;

38 (c) Paid tax liens that, from date of payment, antedate the  
39 report by more than seven years;

1 (d) Accounts placed for collection or charged to profit and loss  
2 that antedate the report by more than seven years;

3 (e) Records of arrest, indictment, or conviction of an adult for  
4 a crime that, from date of disposition, release, or parole, antedate  
5 the report by more than seven years;

6 (f) Juvenile records, as defined in RCW 13.50.010(1)(~~(e)~~) (d),  
7 when the subject of the records is twenty-one years of age or older  
8 at the time of the report; and

9 (g) Any other adverse item of information that antedates the  
10 report by more than seven years.

11 (2) Subsection (1)(a) through (e) and (g) of this section is not  
12 applicable in the case of a consumer report to be used in connection  
13 with:

14 (a) A credit transaction involving, or that may reasonably be  
15 expected to involve, a principal amount of fifty thousand dollars or  
16 more;

17 (b) The underwriting of life insurance involving, or that may  
18 reasonably be expected to involve, a face amount of fifty thousand  
19 dollars or more; (~~(e)~~)

20 (c) The employment of an individual at an annual salary that  
21 equals, or that may reasonably be expected to equal, twenty thousand  
22 dollars or more; or

23 (d) A background check searching for any conviction of an adult  
24 for a crime that is a sex offense as defined in RCW 9.94A.030.

25 NEW SECTION. Sec. 29. This chapter does not change or limit the  
26 authority of: The utilities and transportation commission to regulate  
27 special needs transportation providers under chapter 81.66 RCW, auto  
28 transportation companies under chapter 81.68 RCW, or charter and  
29 excursion companies under chapter 81.70 RCW; or a certificate holder  
30 under chapter 81.66, 81.68, or 81.70 RCW to provide transportation  
31 services within the scope of the holder's certificate.

32 NEW SECTION. Sec. 30. (1) A transportation network company  
33 driver, transportation network company, any of the company's agents,  
34 or any person acting on behalf of a transportation network company  
35 may not take adverse action against any transportation network  
36 company rider or riders if:

37 (a) The rider or former rider has informed any other person or  
38 made a complaint, or the driver or transportation network company

1 believes a rider has informed any other person or made a complaint,  
2 including to the driver, the transportation network company, the  
3 department, the attorney general, or any other person, that the  
4 driver or transportation network company engaged in conduct that the  
5 rider reasonably believes violates this chapter;

6 (b) The rider or former rider has sought information about the  
7 rider's rights under this chapter or informed others about their  
8 rights under this chapter; or

9 (c) The rider or former rider has, or the driver or  
10 transportation network company believes a rider has, otherwise  
11 exercised rights protected under this chapter.

12 (2) For purposes of this section, "adverse action" means revoking  
13 or denying services.

14 NEW SECTION. **Sec. 31.** (1) The legislature finds that the  
15 practices covered under this chapter are matters vitally affecting  
16 the public interest for the purpose of applying chapter 19.86 RCW. A  
17 violation of this chapter is not reasonable in relation to the  
18 development and preservation of business and is an unfair or  
19 deceptive act in trade or commerce and an unfair method of  
20 competition for the purpose of applying chapter 19.86 RCW.

21 (2) The attorney general must maintain a toll-free number for  
22 complaints from transportation network company riders or former  
23 riders related to this chapter and maintain a web site to inform  
24 riders of their rights under this chapter.

25 (3) The transportation network company must maintain data  
26 regarding transportation network company rider complaints. The  
27 department and attorney general must have access to the data.

28 NEW SECTION. **Sec. 32.** RCW 48.177.005 (Definitions) and 2016 c  
29 21 s 1 are each repealed.

30 NEW SECTION. **Sec. 33.** RCW 48.177.010 is recodified as a section  
31 in chapter 46.--- RCW (the new chapter created in section 34 of this  
32 act).

33 NEW SECTION. **Sec. 34.** Sections 1 through 21, 23, and 29 through  
34 31 of this act constitute a new chapter in Title 46 RCW.

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