
HOUSE BILL 2039

State of Washington

66th Legislature

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By Representatives Springer, Barkis, Tarleton, Walsh, Walen, Stokesbary, and Irwin

Read first time 02/14/19. Referred to Committee on Transportation.

1 AN ACT Relating to the creation of a statewide regulatory
2 structure for transportation network companies; amending RCW
3 19.182.040 and 46.72.010; reenacting and amending RCW 43.79A.040; and
4 adding a new chapter to Title 46 RCW.

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 relating to certain operating
8 requirements for transportation network companies, transportation
9 network company drivers, and transportation network company vehicles
10 within the state of Washington, encourage technological innovation,
11 and preserve and enhance access to important transportation options
12 for residents and visitors to Washington state.

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

16 (1) "Compensation" means remuneration or anything of economic
17 value that is provided, promised, or donated primarily in exchange
18 for services rendered. "Compensation" includes, but is not limited
19 to, voluntary donations, or fee sharing agreements between a

1 transportation network company and transportation network company
2 affiliated driver.

3 (2) "Complaint" or "complaints" means an allegation, made by any
4 person to a transportation network company, or to the department, a
5 local law enforcement officer, or the attorney general, and received
6 by a transportation network company, that a transportation network
7 company driver has violated a provision of this chapter or a rule
8 adopted under this chapter. A digital network rating is not a
9 complaint.

10 (3) "Digital network" means an online enabled technology
11 application service, web site, or system, offered or used by a
12 transportation network company that enables prearranged rides with
13 transportation network company drivers.

14 (4) "Driver list" means a list of drivers, including applicants,
15 who are affiliated with a licensed transportation network company and
16 meet all applicable requirements of this chapter.

17 (5) "Fee" means any charge authorized by this chapter and paid by
18 a transportation network company.

19 (6) "Individual records of transportation network company
20 drivers" means any and all records collected or reviewed by the
21 transportation network company to ensure that the driver is compliant
22 with this chapter.

23 (7) "Individual trip records" includes, for each ride provided by
24 each transportation network company driver:

25 (a) The date, time, origin, route, destination, distance, and
26 time traveled;

27 (b) Whether a complaint was lodged during the ride, an accessible
28 vehicle was requested, or a collision occurred;

29 (c) Whether or not the trip or a portion thereof was shared by
30 another passenger, if known; and

31 (d) For a canceled trip, whether the trip was canceled by the
32 driver or by the passenger.

33 (8) "Local jurisdiction" means any agency, political subdivision,
34 or unit of local government of this state including, but not limited
35 to, a municipality or a county.

36 (9) "Local law enforcement officer" or "local law enforcement
37 agency" means, for the sole purpose of enforcement, any person or
38 agency authorized by a local jurisdiction, to carry out enforcement
39 activities under this chapter including, but not limited to, local
40 police officers and regulatory inspectors.

1 (10) "Prearranged ride" has the same meaning as in RCW
2 48.177.005.

3 (11) "Transportation network company" means a corporation,
4 partnership, sole proprietorship, or other entity that is required to
5 be licensed under this chapter, operates in this state, and uses a
6 digital network to connect passengers with transportation network
7 company drivers to provide prearranged rides.

8 (12) "Transportation network company driver" means a natural
9 person who:

10 (a) Receives connections to potential passengers from a
11 transportation network company via a digital network; and

12 (b) Uses a transportation network company vehicle to offer or
13 provide a prearranged ride to a passenger through a digital network
14 controlled by a transportation network company in exchange for
15 compensation.

16 (13) "Transportation network company driver permit" means
17 authorization by the director, in a form to be determined by the
18 director, that is issued after a transportation network company
19 certifies that a transportation network company driver meets all of
20 the requirements of this chapter to be a transportation network
21 company driver.

22 (14) "Transportation network company license" means a license
23 issued by the director to a qualifying transportation network company
24 under this chapter.

25 (15) "Transportation network company services" means services
26 provided by a transportation network company driver while logged in
27 to a transportation network company's digital network to provide
28 prearranged rides. Transportation network company does not include
29 transportation services provided by: (a) For hire vehicles as defined
30 in RCW 46.72.010; (b) vehicles operating as taxicabs, limousines, or
31 motor carriers as defined in RCW 81.80.010, or under chapter 46.72,
32 46.73, or 81.72 RCW; (c) shared expense carpools, vanpool
33 arrangements, or services defined as ride sharing in RCW 46.74.010;
34 (d) auto transportation companies defined in RCW 81.68.010; (e)
35 metropolitan transportation entities as described in RCW 35.58.020
36 and 35.58.250, or the portion of services provided by any entity
37 operating under contract with a metropolitan public transportation
38 entity; or (f) the portion of services provided either directly by or
39 under contract with a political subdivision that is authorized to
40 provide transportation services under chapter 35.58 RCW, or other

1 entity exempt from federal income tax under 26 U.S.C. Sec. 115 of the
2 federal internal revenue code of 1986, as amended.

3 (16) "Transportation network company vehicle" is a vehicle that:

4 (a) Is owned, leased, or otherwise authorized for use by a
5 transportation network company driver and is used to provide
6 transportation network company services via a digital network to
7 passengers for compensation; and

8 (b) Is not operating as a taxicab, limousine, commuter ride
9 sharing vehicle, for hire vehicle, auto transportation company
10 vehicle, or metropolitan transportation vehicle for purposes of
11 chapter 35.58, 46.72, 46.73, 46.74, 46.76, 81.68, or 81.72 RCW.

12 NEW SECTION. **Sec. 3.** (1) It is unlawful for a transportation
13 network company to operate in more than one county in the state of
14 Washington without a valid transportation network company license
15 issued by the director. For purposes of this section, an application
16 that links a digital network to improve transportation access is not
17 a transportation network company. A transportation network company
18 license issued by the department does not create a duty for a
19 transportation network company to operate in any given jurisdiction
20 of this state.

21 (2) To qualify for a transportation network company license, a
22 transportation network company must provide the following to the
23 director:

24 (a) The applicant's name, business street address and post office
25 box address, business telephone number, and business email at which
26 the transportation network company representative may generally be
27 reached between 9:00 a.m. and 5:00 p.m. on all nonholiday weekdays;

28 (b) The form of business entity under which the applicant will
29 operate;

30 (c) (i) If the applicant is an individual, the date of birth of
31 the owner; or

32 (ii) If the applicant is a corporation, partnership or other
33 business entity, the names, business addresses, and telephone numbers
34 of the company representative and all other persons vested with
35 authority to manage or direct the affairs of the entity or to bind
36 the entity in dealings in this state; the entity's legal name and
37 state of incorporation; registration, if any, with the secretary of
38 state of the state of Washington; and state of Washington business
39 license number;

1 (d) The trade dress, if any, the applicant intends to use for
2 each affiliated transportation network company vehicle, with a photo
3 of the trade dress, for director review and approval. The director
4 shall establish by rule the criteria for trade dress and related
5 trade dress regulations;

6 (e) Evidence of the insurance required by chapter 48.177 RCW and
7 section 26 of this act;

8 (f) Documentation of the company's fare structure as required by
9 section 4 of this act;

10 (g) Request for approval of driver training and testing, if
11 applicable;

12 (h) Disaster and state of emergency policy as required by section
13 5 of this act;

14 (i) Name and address of the company's agent for service of
15 process in the state; and

16 (j) Such other information as the director may reasonably
17 require.

18 (3) Transportation network companies and transportation network
19 company drivers legally operating in this state before the effective
20 date of this section may continue operating until the department
21 creates a transportation network company license, transportation
22 network company driver permit, and any processes and deadlines
23 associated with such licenses and permits.

24 NEW SECTION. **Sec. 4.** (1) A transportation network company's
25 fare structure must be transparent and visible to a passenger before
26 a passenger confirms a ride. To satisfy the requirements of this
27 section, a digital network fare must clearly display: (a) The fare
28 for the prearranged ride; (b) the option to receive an estimated fare
29 for the prearranged ride; or (c) the basis and rate on which the fare
30 is to be calculated, and any additional fees or charges that may
31 apply.

32 (2) A transportation network company shall annually demonstrate
33 compliance with this section by: (a) Filing documentation of a
34 transparent digital network fare with the director; or (b) providing
35 a physical demonstration of such to the director.

36 (3) Compliance with this section is required to be eligible for a
37 transportation network company license. The director may establish
38 requirements for transparent digital network fare structures by rule.

1 NEW SECTION. **Sec. 5.** The director shall require a
2 transportation network company to establish and implement a policy
3 capping fare at two times the fare that would otherwise be applicable
4 for transportation network company services to any prearranged ride
5 during a relevant governor or local jurisdiction declared state of
6 emergency or disaster. The policy shall apply only to the geographic
7 area affected by such emergency or disaster.

8 NEW SECTION. **Sec. 6.** A transportation network company shall:

9 (1) Submit quarterly the following reports in an electronic
10 format approved by the director to any city with a population of more
11 than two hundred thousand, or a county with a population of more than
12 one million that requires such reporting by ordinance: (a) Total
13 number of rides provided by each transportation network company; (b)
14 percentage or number of rides picked up in each zip code; (c) pickup
15 and drop off zip codes and the city or unincorporated county of each
16 ride; (d) percentage by zip code of rides that are requested but not
17 provided; (e) vehicle collisions, including the name of the driver,
18 identification of the vehicle, collision fault, injuries, and
19 estimated damage; (f) number of requested rides for an accessible
20 vehicle; (g) reported crimes against drivers and passengers; (h)
21 passenger complaints; and (i) other information reasonably determined
22 by the director as necessary to ensure compliance with this chapter
23 by transportation network companies; and

24 (2) Retain for at least two years records related to the reports
25 required under subsection (1) of this section. Records may be
26 maintained electronically.

27 NEW SECTION. **Sec. 7.** (1) Application for a transportation
28 network company license shall be submitted to the director annually.
29 Upon receipt of such application, the director shall, if such
30 application is in proper form and all requirements of this chapter
31 are satisfied, issue a one-year license authorizing the applicant to
32 operate as a transportation network company in this state until the
33 company ceases to do business as such, or until the license is
34 suspended, revoked, or expired.

35 (2) A valid license issued by a local jurisdiction allowing a
36 transportation network company to operate exempts the transportation
37 network company from the requirements of this chapter. However, a
38 transportation network company operating under such a license may

1 only operate in the local jurisdiction that issued the license, and
2 the transportation network company must: (a) Have fewer than five
3 hundred affiliated transportation network company drivers, or (b)
4 provide fewer than one hundred thousand trips per month.

5 NEW SECTION. **Sec. 8.** (1) It is unlawful for an individual to
6 operate as a transportation network company driver without a valid
7 transportation network company driver permit. Drivers not meeting all
8 requirements of this chapter may not operate as a transportation
9 network company driver. Transportation network company driver
10 requirements include:

11 (a) A valid driver's license;

12 (b) A valid business license number, if required by the state or
13 a local jurisdiction;

14 (c) Consent to the results of a criminal background check and
15 driving abstract, including driving history, being provided to the
16 department and local law enforcement officers of a county that has
17 entered into a cooperative agreement with the department under
18 section 29 of this act, if applicable, annually.

19 (d) Successful completion of any driver testing and training, if
20 applicable, approved by the director; and

21 (e) Proof of valid primary automobile liability insurance as
22 required by this chapter for each vehicle used to provide
23 transportation network company services.

24 (2)(a) The transportation network company, or a designated third
25 party on behalf of the transportation network company, that is either
26 nationally accredited or approved by the director, must conduct an
27 annual local and national criminal background check for the applicant
28 to include a review of:

29 (i) A multistate/multijurisdiction criminal records locator or
30 other similar commercial nationwide database with validation (primary
31 source search); and

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

34 (b) The transportation network company, or designated third
35 party, must obtain and review a driving history report for the
36 individual.

37 (3) A transportation network company may not allow an individual
38 to act as a transportation network company driver on its digital
39 network who has:

1 (a) Within the past three years committed more than three
2 infractions that are moving violations as defined in this title, or
3 who has been convicted of any of the following major violations
4 within the past five years:

- 5 (i) Attempting to elude the police pursuant to RCW 46.61.024;
- 6 (ii) Reckless driving pursuant to RCW 46.61.500;
- 7 (iii) Driving on a suspended or revoked driver's license pursuant
8 to RCW 46.20.342 or 46.20.345; or
- 9 (iv) Negligent driving in the first degree pursuant to RCW
10 46.61.5249;

11 (b) Within the past seven years has been convicted of:
12 (i) Any class A or B felony, as described in Title 9A RCW;
13 (ii) Any violent offense as defined in RCW 9.94A.030 or serious
14 violent offense as defined in RCW 9.94A.030;

15 (iii) Any most serious offense as defined in RCW 9.94A.030;
16 (iv) Driving under the influence, hit and run, or any other
17 driving-related crime pursuant to RCW 46.61.500 through 46.61.540; or

18 (v) Any sex offense as defined in RCW 9.94A.030 or is a match in
19 the United States department of justice national sex offender public
20 web site;

21 (c) Does not possess a valid driver's license;
22 (d) Does not possess proof of valid primary automobile liability
23 insurance under this chapter for each vehicle used to provide
24 transportation network company services;

25 (e) Is not at least twenty years of age with at least twelve
26 months of driving history; or

27 (f) Has not annually self-certified that he or she is physically
28 and mentally fit to be a transportation network company driver.

29 (4) Subsection (3)(a) and (b) of this section apply to any
30 conviction for any offense committed in another jurisdiction that
31 includes all of the elements of any of the offenses in subsection
32 (3)(a) and (b) of this section.

33 NEW SECTION. **Sec. 9.** (1) After obtaining a transportation
34 network company license, a transportation network company must
35 certify to the department that the transportation network company has
36 met all requirements in this chapter by:

37 (a) Providing a driver list on a form approved by the director
38 containing the following for each driver on a schedule determined by
39 the department:

1 (i) Legal name;
2 (ii) Date of birth;
3 (iii) Driver's license number and expiration date;
4 (iv) Date of certification by the transportation network company
5 to the department;
6 (v) Any additional information as may be determined by the
7 director to ensure compliance with this chapter, provided that, if
8 the state or a local jurisdiction requires transportation network
9 company drivers to have a business license to operate in that
10 jurisdiction, the director shall not require such information on the
11 driver list.

12 (b) For each new driver on the driver list, on the anniversary of
13 the driver's certification date, and each year thereafter, providing
14 the following in a form approved by the director:

15 (i) Criminal background check and abstract of driving record; and
16 (ii) Additional information as may be determined by the director
17 to ensure compliance with this chapter.

18 (2) Driver lists shall be submitted in a form approved by the
19 department.

20 (3) A transportation network company driver who is included on a
21 transportation network company driver list shall be permitted to
22 provide transportation network company services for such
23 transportation network company for a period of one year from the date
24 of transportation network company's certification of such driver
25 unless canceled by the director in accordance with subsection (4) of
26 this section.

27 (4) Within sixty days of receiving the information required in
28 subsection (1)(b) of this section, the department may immediately
29 cancel an initial permit, with notice to the transportation network
30 company and transportation network company driver. The notice shall
31 include the reason the permit has been canceled and shall provide an
32 opportunity to appeal the decision. A new driver whose initial
33 temporary permit is canceled under this subsection shall not be
34 allowed to drive during the appeal period.

35 (5) The department shall establish a single system for entry of
36 driver information provided pursuant to this section, which may be
37 provided directly by the department or by entering into a cooperative
38 agreement with a local jurisdiction with population more than one
39 million under section 29 of this act.

1 (6) Local law enforcement officers shall have access to driver
2 information submitted by a transportation network company upon
3 request to the department for the sole purpose of enforcing this
4 chapter.

5 (7) Transportation network company drivers' names, dates of
6 birth, and driver's license numbers provided pursuant to this section
7 are exempt from disclosure under chapter 42.56 RCW. The aggregate
8 number of transportation network company drivers and transportation
9 network company vehicles are subject to disclosure.

10 NEW SECTION. **Sec. 10.** It is unlawful for an individual to
11 operate a transportation network company vehicle unless a
12 transportation network company has certified that the vehicle meets
13 all requirements of this chapter. Transportation network company
14 vehicles must be properly equipped and in good condition.
15 Transportation network company vehicle requirements include having:

16 (1) an annual safety inspection by a third party, approved by the
17 department, resulting in the issuance of a certificate of safety;

18 (2) Current vehicle license and registration;

19 (3) Primary automobile liability insurance as required by RCW
20 48.177.010; and

21 (4) Personal automobile liability insurance, as required by RCW
22 46.30.020.

23 NEW SECTION. **Sec. 11.** (1) A transportation network company must
24 require that any motor vehicle that a transportation network company
25 driver intends to use to provide prearranged rides:

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

28 (b) Meets this state's vehicle emissions requirements, if any, or
29 if the vehicle is registered in Idaho or Oregon, the vehicle must
30 meet comparable emissions requirements in that state, if any; and

31 (c) Has received an annual safety inspection by a third party
32 that is approved by the department resulting in the issuance of a
33 certificate of safety that includes the following components:

34 (i) Foot brakes;

35 (ii) Parking brakes;

36 (iii) Steering mechanism;

37 (iv) Windshield;

38 (v) Rear window and other glass;

- 1 (vi) Windshield wipers;
- 2 (vii) Headlights;
- 3 (viii) Taillights;
- 4 (ix) Brake lights;
- 5 (x) Front seat adjustment mechanism;
- 6 (xi) Doors;
- 7 (xii) Turn signal lights;
- 8 (xiii) Horn;
- 9 (xiv) Speedometer;
- 10 (xv) Bumpers;
- 11 (xvi) Muffler and exhaust system;
- 12 (xvii) Tires, including tread depth;
- 13 (xviii) Interior and exterior mirrors; and
- 14 (xix) Safety belts.

15 (2) For purposes of this section, a mechanic holding a valid
16 certificate of competency issued by the institute of automotive
17 service excellence in engine repair, suspension and steering, brakes,
18 heating, and air conditioning, or a master technician after that
19 mechanic, or another mechanic supervised by that mechanic, shall be
20 considered to be a director-approved third party.

21 (3) When providing transportation network company services, each
22 transportation network company vehicle must display trade dress in
23 the windshield and rear window, visible from outside the vehicle.

24 (4) (a) A transportation network company must inform a
25 transportation network company driver of the driver's responsibility
26 to comply with all applicable safety recalls issued by a vehicle
27 manufacturer or the national highway traffic safety administration
28 for each motor vehicle the driver will use to provide prearranged
29 rides; and

30 (b) A vehicle with an incomplete do not drive safety recall
31 issued by the national highway traffic safety administration may not
32 be certified or operate as a permitted transportation network company
33 vehicle. The director shall establish by rule the reasonable measures
34 that must be taken to ensure transportation network company drivers
35 comply with all safety recalls in this chapter.

36 NEW SECTION. **Sec. 12.** (1) A transportation network company must
37 certify to the department that the transportation network company has
38 established and implemented a process to ensure that affiliated
39 transportation network company vehicles have met all certification

1 and operating requirements in this chapter by providing, on a
2 schedule determined by the department, a vehicle list on a form
3 approved by the director containing the following for each vehicle:

- 4 (a) Vehicle make, model, and year;
- 5 (b) Vehicle license plate number; and
- 6 (c) Registered owner, including the lessor, of the vehicle; and
- 7 (d) Additional information as may be determined by the director
8 to ensure compliance with this chapter.

9 (2) Any vehicle not possessing the following may not be certified
10 as a permitted transportation network company vehicle and may not
11 operate as a transportation network company vehicle:

- 12 (a) A certificate of safety provided by a mechanic approved by
13 the director in accordance with section 11 of this act;
- 14 (b) Valid vehicle registration and licensing;
- 15 (c) Vehicle properly equipped and in good condition as required
16 in section 11 of this act;
- 17 (d) Valid primary automobile liability insurance as required
18 under chapter 48.177 RCW; and
- 19 (e) Personal automobile liability insurance, as required by RCW
20 46.30.020.

21 (3) Upon receipt of a certification from an authorized
22 representative of the transportation network company that a
23 transportation network company vehicle has met all of the
24 requirements established in this chapter, the transportation network
25 company vehicle is deemed certified and eligible to provide
26 transportation network company services. Certifications for
27 transportation network company vehicles are valid for a term of one
28 year from the date of transportation network company certification.

29 (4) Transportation network companies must provide to the director
30 a list of vehicles for recertification within one month before the
31 date on which each transportation network company vehicle's
32 certification expires, on a form approved by the director. A vehicle
33 shall not be recertified as a transportation network company vehicle
34 and may not operate as a transportation network company vehicle
35 unless it meets all conditions and is compliant with all requirements
36 of this chapter. This list may be separate from the list required in
37 subsection (1) of this section.

38 (5) Local law enforcement officers shall have access to the
39 vehicle lists upon request to the department for the sole purpose of
40 enforcing this chapter.

1 NEW SECTION. **Sec. 13.** A transportation network company shall
2 provide the following to a passenger before the passenger enters a
3 transportation network company vehicle for a prearranged ride:

4 (1) The transportation network company driver's first name;

5 (2) The make, model, and license plate number of the
6 transportation network company driver's transportation network
7 company vehicle;

8 (3) The applicable fare consistent with section 4 of this act;
9 and

10 (4) Such requirements as may be determined by the director.

11 NEW SECTION. **Sec. 14.** Within twenty-four hours of a trip
12 completion, a transportation network company must transmit an
13 electronic receipt to the passenger on behalf of the transportation
14 network company driver that lists:

15 (1) The date and time of the trip;

16 (2) The origin and destination of the trip;

17 (3) The total time and distance of the trip;

18 (4) The unique driver identification or unique receipt number for
19 that trip or vehicle license plate number; and

20 (5) The total fare paid, itemizing all charges and fees.

21 NEW SECTION. **Sec. 15.** (1) A transportation network company must
22 implement a zero tolerance policy regarding a transportation network
23 company driver's activities while accessing the transportation
24 network company's digital network. The zero tolerance policy must
25 prohibit the use of or impairment by drugs or alcohol while a
26 transportation network company driver is providing prearranged rides
27 or is logged in to the transportation network company's digital
28 network but is not providing prearranged rides. A copy of the zero
29 tolerance policy must be provided by the transportation network
30 company to each transportation network company driver.

31 (2)(a) A transportation network company must implement a
32 nondiscrimination policy regarding a transportation network company
33 driver's activities while accessing the transportation network
34 company's digital network. The nondiscrimination policy must prohibit
35 drivers from discriminating against passengers or potential
36 passengers on the basis of geographic endpoints of the ride, race,
37 color, national origin, religious belief or affiliation, sex,
38 disability, age, or sexual orientation or gender identity.

1 (b) Notwithstanding (a) of this subsection, a transportation
2 network company driver may decline a passenger request for a trip
3 covering a distance of more than one hundred miles, or a trip that
4 includes traveling over a mountain pass or on a ferry.

5 (3) A transportation network company must provide notice of the
6 zero tolerance and nondiscrimination policies on its web site,
7 including procedures to report a complaint about a transportation
8 network company driver whom a person reasonably suspects was under
9 the influence of drugs or alcohol during the course of a trip or
10 violated the nondiscrimination policy.

11 (4)(a) All transportation network companies and drivers must
12 comply with all applicable laws regarding nondiscrimination against
13 passengers or potential passengers on the basis of destination, race,
14 color, national origin, religious belief or affiliation, sex,
15 disability, age, sexual orientation, or gender identity.

16 (b) Transportation network companies and transportation network
17 company drivers must comply with all applicable laws relating to the
18 transportation of service animals.

19 (c) No additional charge may be imposed by transportation network
20 companies or transportation network company drivers for providing
21 services to persons with disabilities because of those disabilities.

22 (5)(a) Upon receipt of a complaint alleging a violation of the
23 zero tolerance policy that involves criminal conduct, the
24 transportation network company shall:

25 (i) Immediately suspend the transportation network company
26 driver's ability to accept trip requests through the transportation
27 network company's digital network;

28 (ii) Investigate the reported incident; and

29 (iii) Provide notification to the driver of the reason for the
30 suspension. The suspension must last the duration of the
31 transportation network company's investigation.

32 (b) If the transportation network company determines that the
33 transportation network company driver violated the zero tolerance
34 policy, the transportation network company must take appropriate
35 action against the driver, including, at a minimum, informing the
36 director and suspending the driver from the transportation network
37 company's digital network until the transportation network company
38 determines that the driver is compliant with the zero tolerance
39 policy.

1 (c) The department shall develop and implement a process to
2 provide notification of any information received under this
3 subsection (5) to all licensed transportation network companies in
4 this state.

5 (d) A transportation network company must maintain records
6 relevant to its enforcement of the policies under this subsection (5)
7 for a period of at least two years from the date that a passenger
8 complaint is received by the transportation network company.

9 NEW SECTION. **Sec. 16.** (1) In addition to any applicable
10 requirements and enforcement remedies in this chapter, the uniform
11 regulation of business and professions act, chapter 18.235 RCW,
12 governs unlicensed practices, issuance and denial of licenses, and
13 discipline of licensees under this chapter. In considering
14 enforcement action, the department may consider any offense committed
15 in one or more local jurisdictions.

16 (2) The director may suspend, revoke, condition, or otherwise
17 limit a transportation network company license on the department's
18 own initiative or at the request of a local jurisdiction. The
19 director may suspend a transportation network company's operations in
20 a local jurisdiction for repeated violations of this chapter by a
21 transportation network, or a violation of this chapter by a
22 transportation network company that poses a substantial risk to
23 public safety.

24 (3) The department or local law enforcement officer may suspend,
25 revoke, condition, or otherwise limit a transportation network
26 company driver's permit for repeated violations of this chapter by
27 the transportation network driver or a violation of this chapter by a
28 transportation network company driver that poses a substantial risk
29 to public safety.

30 NEW SECTION. **Sec. 17.** (1) In addition to the unprofessional
31 conduct described in RCW 18.235.130, the following conduct, acts, or
32 conditions constitute unprofessional conduct:

33 (a) A transportation network company failing to:

34 (i) Comply with this chapter;

35 (ii) Remove a driver from the company's digital network after
36 notification by the department or a local law enforcement officer
37 that the driver has violated a law or rule or regulation that would

1 make the driver ineligible to provide transportation network company
2 services under this chapter; or

3 (iii) Upon request and appropriate legal process, as required,
4 provide the following information to the department or local law
5 enforcement officer investigating an allegation of a violation of
6 this chapter by a transportation network company driver or
7 transportation network company passenger including, but not limited
8 to, trip specific details regarding origin and destination, date and
9 time, length of trip by time and distance, global positioning system
10 coordinates of route, driver identification, vehicle identification,
11 passenger information and identification, and any information
12 reported to the transportation network company regarding the alleged
13 violation by a driver or passenger.

14 (b) For a transportation network company driver:

15 (i) Failing to comply with this chapter;

16 (ii) Soliciting or accepting a trip request to provide
17 transportation network company services other than a trip request
18 arranged through a transportation network company's digital network;

19 (iii) Allowing any other individual to use that driver's access
20 to a transportation network company's digital network;

21 (iv) Withholding driver identification from a requesting
22 department or local law enforcement officer;

23 (v) Withholding from the department or any local law enforcement
24 officer any of the following while providing transportation network
25 company services: Proof of registration, primary automobile
26 insurance, or status as a transportation network company driver;

27 (vi) Failing to show proof of effective primary automobile
28 insurance and a waybill upon request from the department or local law
29 enforcement officer;

30 (vii) Failing to report collisions and arrests, charges, and
31 convictions that would disqualify a driver from providing
32 transportation network company services under this chapter to the
33 transportation network company and department within twenty-four
34 hours and prior to the driver providing further transportation
35 network company services;

36 (viii) Providing transportation network company services or any
37 other for hire services for more than fourteen hours in a twenty-four
38 hour period;

1 (ix) Providing false information to a transportation network
2 company regarding the driver or transportation network company
3 vehicle;

4 (x) Not possessing a valid and effective transportation network
5 company driver permit as required by this chapter;

6 (xi) Not possessing a valid vehicle certification as required by
7 section 11 of this act;

8 (xii) Allowing another individual to use the transportation
9 network company driver's sign in or identity to provide
10 transportation network company services;

11 (xiii) Misrepresenting identity to passengers, potential
12 passengers, the department, or a local law enforcement officer by
13 means of a digital network;

14 (xiv) Violating the nondiscrimination policy;

15 (xv) Violating the zero tolerance policy;

16 (xvi) Providing transportation network company services in any
17 manner other than through a transportation network company's digital
18 network, including soliciting, accepting, and arranging services
19 through street hails, cruising, or street solicitations;

20 (xvii) Withholding driver identification from the department or
21 local law enforcement officer upon request.

22 (2) The requirements of this chapter, along with any penalties
23 that may be assessed for violations of this chapter, apply to all
24 transportation network companies, transportation network company
25 drivers, and transportation network company vehicles, whether or not
26 legally and validly licensed, permitted, or certified.

27 NEW SECTION. **Sec. 18.** A transportation network company must
28 maintain the following records:

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

31 (2) Individual records of transportation network company drivers
32 for at least three years after a transportation network company
33 driver is approved to by a transportation network company to provide
34 transportation network company services under this chapter.

35 NEW SECTION. **Sec. 19.** (1) For the sole purpose of verifying
36 that a transportation network company is in compliance with the
37 requirements of this chapter, the department, a local law enforcement
38 agency for a city with a population of more than two hundred

1 thousand, or local law enforcement agency for a county with a
2 population of more than one million, may not more frequently than
3 biannually review a sample of records that the transportation network
4 company is required to maintain under this chapter. The sample of
5 records may be chosen by the department or local law enforcement
6 agency.

7 (2) In response to a complaint or incident involving allegations
8 of criminal conduct, upon request and appropriate legal process, as
9 required, the department or local law enforcement agency may inspect
10 any of a transportation network company's records related to the
11 complaint or incident at issue.

12 (3) Within ten calendar days of receiving a written request from
13 the department or local law enforcement agency, a transportation
14 network company must transmit requested records to the department or
15 local law enforcement agency via a mutually agreed upon secure
16 delivery method, which may include use of encryption security. Where
17 the department or local law enforcement agency reasonably requests
18 records within a shorter time, a transportation network company must
19 make all reasonable attempts to comply with that request.

20 (4) If, after initial review of the submitted records, the
21 department or local law enforcement agency has a reasonable basis to
22 conclude that the transportation network company is not in compliance
23 with any provision of this chapter or regulation, the department or
24 local law enforcement agency may conduct a supplemental audit of
25 records that it deems necessary and reasonable.

26 (5) If a department or local law enforcement agency audit is
27 conducted by an agreed upon third party, the cost of the audit shall
28 be borne and paid by the transportation network company that is under
29 audit.

30 (6) Any record sample furnished to the department or local law
31 enforcement agency for audit purposes may exclude information that
32 would tend to identify specific passengers, except that passenger
33 names and contact information shall be disclosed, if requested by the
34 department or local law enforcement agency in writing and upon
35 appropriate legal process if required, for investigations of crimes
36 against drivers, crimes against passengers, or violations of the zero
37 tolerance policy. Records provided pursuant to this subsection are
38 exempt from disclosure under chapter 42.56 RCW.

1 NEW SECTION. **Sec. 20.** (1) Each prearranged ride provided by a
2 transportation network company driver while on the transportation
3 network company's digital network shall be assessed a per trip fee by
4 the department, in an amount to be determined by the director, to
5 cover the department's costs of administration and enforcement
6 relating to this chapter as well as the costs of a local
7 jurisdiction's enforcement of this chapter.

8 (2) The department, in consultation with local jurisdictions, may
9 annually review the per trip fee imposed under subsection (1) of this
10 section and increase or decrease the fee to support expenses incurred
11 in carrying out the licensing, permitting, and regulatory activities
12 of this chapter. In determining an adjustment to the fee,
13 consideration shall include, but is not limited to, the number of new
14 transportation network company licenses issued, the number of
15 transportation network company rides provided, and the number of
16 transportation network company drivers.

17 (3) Within thirty days of the end of each calendar quarter, a
18 transportation network company must remit to the department the fees
19 assessed under subsection (1) of this section and submit a summary,
20 on a form to be approved by the director, the following: (a) The
21 total amount of per trip fees collected by a transportation network
22 company on behalf of affiliated transportation network drivers; (b)
23 the total number of rides that originated within the incorporated
24 boundaries of a municipality, or outside of the incorporated
25 boundaries of a municipality and within the boundaries of a county of
26 this state; and (c) for trips that originated in a municipality or
27 unincorporated county, a report listing the percentage of the
28 quarterly total amount of per trip fees from trips that originated in
29 each municipality or unincorporated county during the reporting
30 period.

31 (4) The department must retain such amount of the per trip fee
32 collected under this section as is necessary to cover the expenses of
33 the department.

34 (5) Within sixty days of the end of each calendar quarter, the
35 department must distribute the remaining portion of the total per
36 trip fees collected under this section less the amount retained under
37 subsection (4) of this section to each municipality or county where a
38 trip originated during the reporting period. The distribution to each
39 municipality or county must be proportionate to the percentage of the
40 quarterly total amount of per trip fees that originated in each

1 municipality or county. The funds collected by each municipality or
2 county under this subsection must be used to fund enforcement
3 activities by the municipalities and counties relating to this
4 chapter.

5 (6) If pursuant to section 29 of this act the department enters
6 into a cooperative agreement with any county with a population more
7 than one million to perform authorized duties related to granting,
8 revoking, or suspending transportation network company licenses,
9 transportation network company driver permits, or transportation
10 network company vehicle certificates, the department may require a
11 portion of the fee assessed in subsection (1) of this section,
12 determined in consultation with such local jurisdiction, to be paid
13 directly to the county performing the authorized duties.

14 (7) A transportation network company must determine whether each
15 prearranged ride originated within the boundaries of a municipality
16 or unincorporated portion of a county of this state.

17 (8) The department must deposit fees submitted to the department
18 pursuant to this section in the transportation network company
19 account created in section 24 of this act.

20 NEW SECTION. **Sec. 21.** (1) In addition to the per trip fee
21 assessed under section 20 of this act, each prearranged ride provided
22 by a transportation network company driver to a transportation
23 network company rider that originates in a city with a population of
24 two hundred thousand or more or in a county with a population of one
25 million or more may be assessed a ten cent per trip fee to offset
26 costs associated with improving transportation options for
27 individuals with disabilities. The assessment for a trip that
28 originates in both a city with a population of five hundred thousand
29 or more and a county with a population of one million or more shall
30 be a total of ten cents, which shall be remitted by a transportation
31 network company to the city with a population of five hundred
32 thousand or more.

33 (2)(a) The per trip fee collected under subsection (1) of this
34 section shall be distributed by a city or county to provide funding
35 for the improvement of transportation options for individuals with
36 disabilities. Such funding may include, but is not limited to:

37 (i) Costs of transportation network company drivers associated
38 with converting or purchasing a vehicle to be wheelchair accessible

1 by ramp or lift for use via a transportation network company's
2 digital network; and

3 (ii) Costs of transportation network companies associated with
4 enabling or providing wheelchair accessible rides via a
5 transportation network company's digital network, including a third-
6 party with which a transportation network company may contract to
7 provide such services.

8 (b) The remainder of any portion of the accessibility surcharge
9 fee collected under subsection (1) of this section not distributed by
10 a city or county in accordance with (a) of this subsection may be
11 distributed to taxicab drivers or taxicab owners to offset costs
12 associated with converting or purchasing a vehicle to be used as a
13 taxicab that is fully wheelchair accessible by ramp or lift or costs
14 to provide taxicab rides to riders using wheelchairs.

15 (c) Distribution of funds under this section shall reflect that
16 the primary purpose of the accessibility per trip fee is to
17 incentivize transportation network companies and transportation
18 network company drivers to improve access to on demand wheelchair
19 accessible transportation options.

20 (3) The accessibility per trip fee assessed under subsection (1)
21 of this section must be remitted directly to each applicable city and
22 county within thirty days of the end of each calendar quarter.

23 (4) The department may require that transportation network
24 company drivers of wheelchair accessible vehicles undergo department-
25 approved training for the safe and secure transportation of
26 passengers who use wheelchairs prior to providing rides to passengers
27 who use wheelchairs.

28 (5) All wheelchair accessible vehicles used to provide
29 prearranged rides shall conform to Americans with disabilities act
30 standards, if applicable.

31 NEW SECTION. **Sec. 22.** (1) A transportation network company
32 driver, transportation network company, any of the company's agents,
33 or any person acting on behalf of a transportation network company
34 may not take adverse action against any passenger as a reprisal for:

35 (a) Filing a complaint with the transportation network company,
36 the department, or the attorney general, that the driver or
37 transportation network company engaged in conduct that the passenger
38 reasonably believes violates this chapter;

1 (b) Seeking information about the passenger's rights under this
2 chapter or informed others about their rights under this chapter; or

3 (c) Exercising rights protected by this chapter.

4 (2) For purposes of this section, "adverse action" includes
5 revoking, denying, or otherwise limiting access to the digital
6 network or transportation network company services.

7 NEW SECTION. **Sec. 23.** (1) The attorney general and the
8 department must each maintain a toll-free number for complaints from
9 passengers or former passengers related to this chapter and maintain
10 a web site to inform passengers of their rights under this chapter.

11 (2) The transportation network company must maintain data
12 regarding passenger complaints and the disposition of the complaint
13 for a period of at least two years from the date that a passenger
14 complaint is received by the transportation network company.

15 NEW SECTION. **Sec. 24.** The transportation network company
16 account is created in the custody of the state treasurer. All fees
17 collected by the department under section 20 of this act must be
18 deposited into the account. Expenditures from the account may be used
19 to carry out licensing, permitting, and regulatory activities of this
20 chapter. Only the director or the director's designee may authorize
21 expenditures from the account. The account is subject to allotment
22 procedures under chapter 43.88 RCW, but an appropriation is not
23 required for expenditures.

24 **Sec. 25.** RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s 4, and
25 2018 c 127 s 6 are each reenacted and amended to read as follows:

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

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

34 (3) The investment income account may be utilized for the payment
35 of purchased banking services on behalf of treasurer's trust funds
36 including, but not limited to, depository, safekeeping, and
37 disbursement functions for the state treasurer or affected state

1 agencies. The investment income account is subject in all respects to
2 chapter 43.88 RCW, but no appropriation is required for payments to
3 financial institutions. Payments must occur prior to distribution of
4 earnings set forth in subsection (4) of this section.

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

8 (b) The following accounts and funds must receive their
9 proportionate share of earnings based upon each account's or fund's
10 average daily balance for the period: The 24/7 sobriety account, the
11 Washington promise scholarship account, the Gina Grant Bull memorial
12 legislative page scholarship account, the Washington advanced college
13 tuition payment program account, the Washington college savings
14 program account, the accessible communities account, the Washington
15 achieving a better life experience program account, the community and
16 technical college innovation account, the agricultural local fund,
17 the American Indian scholarship endowment fund, the foster care
18 scholarship endowment fund, the foster care endowed scholarship trust
19 fund, the contract harvesting revolving account, the Washington state
20 combined fund drive account, the commemorative works account, the
21 county enhanced 911 excise tax account, the toll collection account,
22 the developmental disabilities endowment trust fund, the energy
23 account, the fair fund, the family and medical leave insurance
24 account, the fish and wildlife federal lands revolving account, the
25 natural resources federal lands revolving account, the food animal
26 veterinarian conditional scholarship account, the forest health
27 revolving account, the fruit and vegetable inspection account, the
28 future teachers conditional scholarship account, the game farm
29 alternative account, the GET ready for math and science scholarship
30 account, the Washington global health technologies and product
31 development account, the grain inspection revolving fund, the
32 Washington history day account, the industrial insurance rainy day
33 fund, the juvenile accountability incentive account, the law
34 enforcement officers' and firefighters' plan 2 expense fund, the
35 local tourism promotion account, the low-income home rehabilitation
36 revolving loan program account, the multiagency permitting team
37 account, the northeast Washington wolf-livestock management account,
38 the pilotage account, the produce railcar pool account, the regional
39 transportation investment district account, the rural rehabilitation
40 account, the Washington sexual assault kit account, the stadium and

1 exhibition center account, the youth athletic facility account, the
2 self-insurance revolving fund, the transportation network company
3 account, the children's trust fund, the Washington horse racing
4 commission Washington bred owners' bonus fund and breeder awards
5 account, the Washington horse racing commission class C purse fund
6 account, the individual development account program account, the
7 Washington horse racing commission operating account, the life
8 sciences discovery fund, the Washington state heritage center
9 account, the reduced cigarette ignition propensity account, the
10 center for childhood deafness and hearing loss account, the school
11 for the blind account, the Millersylvania park trust fund, the public
12 employees' and retirees' insurance reserve fund, the school
13 employees' benefits board insurance reserve fund, (~~{the}~~) the
14 public employees' and retirees' insurance account, (~~{the}~~) the
15 school employees' insurance account, and the radiation perpetual
16 maintenance fund.

17 (c) The following accounts and funds must receive eighty percent
18 of their proportionate share of earnings based upon each account's or
19 fund's average daily balance for the period: The advanced right-of-
20 way revolving fund, the advanced environmental mitigation revolving
21 account, the federal narcotics asset forfeitures account, the high
22 occupancy vehicle account, the local rail service assistance account,
23 and the miscellaneous transportation programs account.

24 (d) Any state agency that has independent authority over accounts
25 or funds not statutorily required to be held in the custody of the
26 state treasurer that deposits funds into a fund or account in the
27 custody of the state treasurer pursuant to an agreement with the
28 office of the state treasurer shall receive its proportionate share
29 of earnings based upon each account's or fund's average daily balance
30 for the period.

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

34 NEW SECTION. **Sec. 26.** Transportation network companies and
35 transportation network drivers must meet the financial responsibility
36 requirements applicable to commercial transportation services set
37 forth in RCW 48.177.010.

1 NEW SECTION. **Sec. 27.** The director is empowered to make and
2 enforce rules, including the setting of fees, as may be consistent
3 with and necessary to carry out the provisions of this chapter.

4 NEW SECTION. **Sec. 28.** (1) The state of Washington occupies and
5 preempts the regulation of transportation network services within the
6 boundaries of the state as explicitly set forth in this chapter.
7 Local laws and ordinances that are inconsistent with, more
8 restrictive than, or exceed the requirements explicitly set forth in
9 this chapter shall not be enacted and are hereby preempted and
10 repealed, regardless of the code, charter, or home rule status of
11 such political subdivision.

12 (2) The state preempts the following fields of regulation of
13 transportation network companies, transportation network drivers, and
14 transportation network company vehicles:

15 (a) Licensing for transportation network companies and permits
16 for transportation network drivers;

17 (b) All requirements for and processing of applications,
18 certifications, examinations, and background checks for
19 transportation network drivers and transportation network company
20 vehicles;

21 (c) Establishing rate, entry, and operational requirements for
22 transportation network companies within the boundaries of this state,
23 except for transportation network companies operating exclusively
24 within one county of this state;

25 (d) Fees, auditing, and reporting as required under sections 6,
26 19, 20, and 21 of this act; and

27 (e) All other activities and requirements explicitly set forth in
28 this chapter.

29 (3) Nothing in this chapter limits the authority of local
30 jurisdictions of this state to:

31 (a) Regulate the routes and operations of transportation network
32 company vehicles including, but not limited to, restricting access to
33 airports, stadiums, and large public events as defined by local rule;

34 (b) Impose requirements upon transportation network companies,
35 transportation network drivers, and transportation network company
36 vehicles within local jurisdictions that are generally applicable to
37 all businesses; and

38 (c) Enact and enforce ordinances related to traffic flow, traffic
39 patterns, roadways, or the public right-of-way.

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

15 NEW SECTION. **Sec. 29.** (1) A municipality, county, or port
16 district may enter into cooperative agreements with any other
17 municipality, county, or port district to perform authorized duties
18 or to jointly enforce this act.

19 (2) The director may enter into a cooperative agreement with a
20 county with a population more than one million to perform the
21 following authorized administrative duties: Granting, revoking, or
22 suspending transportation network company licenses, transportation
23 network company driver permits, or transportation network company
24 vehicle certificates.

25 **Sec. 30.** RCW 19.182.040 and 2011 c 333 s 2 are each amended to
26 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

21 (d) The conviction of an adult for a crime that is a sex offense
22 as defined in RCW 9.94A.030.

23 **Sec. 31.** RCW 46.72.010 and 1996 c 87 s 18 are each amended to
24 read as follows:

25 When used in this chapter:

26 (1) The term "for hire vehicle" includes all vehicles used for
27 the transportation of passengers for compensation, except auto
28 stages, school buses operating exclusively under a contract to a
29 school district, ride-sharing vehicles under chapter 46.74 RCW,
30 limousine carriers licensed under chapter 46.72A RCW, vehicles used
31 by nonprofit transportation providers for ~~((elderly or handicapped))~~
32 persons who are elderly or disabled and their attendants under
33 chapter 81.66 RCW, vehicles used by auto transportation companies
34 licensed under chapter 81.68 RCW, vehicles used to provide courtesy
35 transportation at no charge to and from parking lots, hotels, and
36 rental offices, ~~((and))~~ vehicles used by charter party carriers of
37 passengers and excursion service carriers licensed under chapter
38 81.70 RCW, and transportation network company vehicles under chapter
39 46.--- RCW (the new chapter created in section 32 of this act);

1 (2) The term "for hire operator" means and includes any person,
2 concern, or entity engaged in the transportation of passengers for
3 compensation in for hire vehicles, except transportation network
4 companies and transportation network company drivers under chapter
5 46.--- RCW (the new chapter created in section 32 of this act).

6 NEW SECTION. **Sec. 32.** Sections 1 through 24 and 26 through 29
7 of this act constitute a new chapter in Title 46 RCW.

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