



**King County**

**2017**

# **Annual Report**

**Taxi, For-hire Vehicle & Transportation Network Company  
Regulation in King County**



# King County

Department of Executive Services

Records and Licensing Services Division

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## **EXECUTIVE SUMMARY**

Produced in accordance with King County Code (KCC) 6.64.740, the 2017 Annual Report provides information on the number of taxicabs, for-hire vehicles, and transportation network company endorsed vehicles; the number of drivers licensed; service response times; complaints; and other information related to the for-hire transportation industry in King County between January 1, 2017, and December 31, 2017.

King County's (County) Records and Licensing Services Division (RALS) provides regulatory oversight and code enforcement services over the for-hire transportation industry in Washington's most populous County and is charged with safeguarding passengers, drivers, and the public. RALS regulates the operation of taxicabs in unincorporated King County. In 1995, the County entered into an interlocal agreement with the City of Seattle (Seattle), whereby the County manages all for-hire driver licensing functions for both jurisdictions, and Seattle manages all for-hire vehicle licensing functions for both jurisdictions. In addition, RALS has interlocal service agreements with 16 cities and the Port of Seattle (Port) to provide for-hire transportation regulatory services.

In the past several years, the most significant item to highlight occurred in September 2014 with the approval of Ordinance 17892, which followed on the heels of similar legislation adopted by Seattle in 2014. Ordinance 17892 authorized some of the most significant for-hire transportation related regulatory changes in over a decade. The ordinance added regulations for Transportation Network Companies (TNCs) and modified KCC Chapter 6.64, to streamline and update regulatory requirements across the for-hire transportation industry.

In 2017, there were 596 taxicabs and 471 for-hire vehicles licensed to operate in unincorporated King County (and contract cities), with an additional 429 taxicabs operating only in Seattle.

Also in 2017, RALS processed 2,610 For-hire driver license applications and issued 2,453 for-hire driver licenses (includes November/December 2016 applications approved in 2017). This category of applications has steadily declined in recent years, as many drivers chose to apply for a for-hire driver permit and Vehicle Endorsement allowing them to drive for a TNC (and taxi or for-hire vehicle).

TNC for-hire driver permits and Vehicle Endorsements dramatically increased in 2017. A total of 63,550 applications were received, of which, 27,842 unique drivers were approved to receive for-hire driver permits and vehicle endorsements in 2017.

## **BACKGROUND**

In 1979, the County, Seattle, and the Port embarked on a program to regionalize taxicab regulations and licensing by developing consistent regulations and services across jurisdictions. This promoted public safety and customer service by standardizing fees, regulations, enforcement, and rate review procedures throughout the County.

This program continued until September 1988, when these three entities formed the Regional Taxicab Commission. The Regional Taxicab Commission recommended rates, entry restrictions, and other related revisions to the KCC prior to ending on December 31, 1990.

Based on the Regional Taxicab Commission's recommendation to issue a moratorium on new taxicab licenses, the King County Council passed Ordinance 9986 on June 10, 1991, permanently closing the issuance of new taxicab licenses. Under subsequent ordinances, a small number of additional taxicab licenses have been issued.

RALS coordinates with Seattle, other cities in King County, and the Port through interlocal agreements; these are described beginning on page 5. A more complete summary of the taxicab and for-hire licensing history in the County is in the appendix.

## 2017 IN REVIEW

- **January:** Seattle and the County launched the Transportation Regulation Improvement Project. This project will leverage an existing, modern information management system used by Seattle, to create program modules tailored to the for-hire licensing and regulatory needs of both Seattle and the County, in a single, consolidated system. The new modules are anticipated to be placed into production in late 2018, and will facilitate customers being able to apply and pay for driver, vehicle and company licenses online, update medallion and lease information online, provide enforcement staff with tools and information available in the field, and more efficient and timely transmittal of application information from companies. The new system will be shared between Seattle and the County, and will replace three outdated legacy systems currently in use.
- **March:** 55 new Seattle Taxicab medallions awarded by lottery to existing/qualified drivers.
- **May:** Approved the voluntary conversion of 13 regular for-hire vehicles to wheelchair accessible vehicles.
- **June:** Established a pilot project in partnership with the Port's – SeaTac International Airport Ground Transportation enforcement personnel to aid in improving TNC licensing compliance at the airport.  
A backlog of TNC driver permit applications began creating delays in application approval and issuance that were difficult to overcome. By August, RALS had received more TNC driver applications than had been submitted for all of the prior year. The overwhelming numbers resulting in a backlog for some application that took more than 120 days to complete. Plans were set in motion to add processing resources and revamp the process in order to increase efficiency, eliminate the backlog and provide timely turnaround time.
- **July:** King County Council proposed a motion (No. 2017-0302.1) requesting the King County Executive to enter into negotiations with Seattle to allow taxi license holders reciprocal operating rights between Seattle and the County, requiring County Executive to develop an ordinance to conform to adopted Seattle legislation, and later the motion was amended to include consolidating the appeal process for appellants who appeal RALS license actions.

- **August:** Launched a “Listening and Engagement Tour,” aimed at reaching out to and meeting with local dispatch companies, medallion owners, drivers, special interest groups and other industry stakeholders, to better understand the state of the for-hire industry, listen to and discuss changes that are desirable from the stakeholder/customer perspective, share ideas and concepts from the regulatory perspective, and to increase direct communication and accessibility between the industry and County/Seattle regulators.
- **September:** Began discussions with Seattle and accessible vehicle stakeholders focused on opportunities to further leverage the wheelchair accessible surcharge funds.
- **October:** Began implementing system changes and resources aimed at streamlining TNC permit application processing. Began to reduce the backlog of applications.
- **December:** Eliminated the backlog of for-hire permit applications and reduced processing time to within seven days.

## **TAXICAB ADVISORY COMMISSION**

The Seattle/King County Taxicab Advisory Commission was established by ordinance in 2009 to study regulations, rules, policies and issues relevant to the provision of high-quality taxicab service in Seattle (SMC 3.73.030) and the County (KCC 2.200.010) while ensuring the economic viability of owning and driving taxicabs, and to make recommendations to Seattle and the County on these matters.

The commission was placed on inactive status in November of 2015 based on the request of Commission members and remained inactive throughout 2016 and 2017.

## **SERVICE AGREEMENTS**

RALS regulates the operation of taxicabs in unincorporated King County. In 1995, the County entered into an interlocal agreement with Seattle, whereby the County manages all for-hire driver licensing functions for both jurisdictions while Seattle manages all for-hire vehicle licensing functions for both jurisdictions.

In addition, RALS has interlocal service agreements with the Port, which operates the SeaTac International Airport, and 16 cities to provide for-hire transportation regulatory services.

Table 1 (next page), provides a detailed list of the jurisdictions that contract with the County for the above noted regulatory services:

**Table 1 – Jurisdiction & Type of Agreement**

City	Agreement For ...
Auburn	Licensing and Enforcement of City Code
Bellevue	Licensing and Enforcement of City Code
Burien	Licensing and Enforcement of City Code
Covington	Licensing and Enforcement of City Code
Enumclaw	Licensing and Enforcement of City Code
Federal Way	Licensing and Enforcement of City Code
Issaquah	Licensing and Enforcement of City Code
Kenmore	Licensing and Enforcement of City Code
Kent	Licensing and Enforcement of City Code
Kirkland	Licensing and Enforcement of City Code
Maple Valley	Licensing and Enforcement of City Code
Port of Seattle	Enforcement of County Code on Port Property
Redmond	Licensing and Enforcement of City Code
Renton	Licensing and Enforcement of City Code
Sammamish	Licensing and Enforcement of City Code
SeaTac	Licensing and Enforcement of City Code
Seattle	Licensing of City For-Hire Drivers and Enforcement of City Code
Shoreline	Licensing and Enforcement of City Code

## SERVICES PROVIDED

### Taxicab and For-hire Vehicle Licensing

The County and Seattle approved the conversion of taxicab vehicle licenses to medallions, with the conversion occurring in 2015. In addition, Seattle increased the cap on the number of taxicabs from 850 to 1050, with the 200 new taxicab medallions to be issued over the subsequent four years. The number of taxicab medallions allowed in the County is capped at 561 (KCC 6.64.700). In both the County and Seattle, Wheelchair Accessible Taxicab (WAT) medallions are excluded from the cap. In 2016, the five county only wheelchair accessible taxicabs were awarded city licenses, adding to the existing 45 dual WAT medallions bringing the total number to 50. In 2017, 55 of the new Seattle only taxicab medallions were issued (35 previously issued in 2015, and 55 issued in 2016), with the remaining 55 taxicabs allowed within the Seattle cap to be issued in 2018. Table 2 (next page) shows the number of taxicabs licensed annually; the table excludes some recently issued medallions as the actual taxicab vehicle is not included in the count until it is placed into service:

**Table 2 - Number of Licensed Taxicabs**

Jurisdiction	2014	2015	2016*	2017
King County Only	232	238	210	202
City Only	335	334	393	429
Dual (King County and Seattle)	308	309	387	394
Wheelchair Accessible Taxicabs (Dual)	45	45	50	50
Wheelchair Accessible Taxicabs (County Only)	5	5	0	0
Total	925	931	990	1075

\*2016 (Dual King County and Seattle) updated.

Table 3 (below) illustrates the number of active for-hire vehicles for the years following the imposition of the County cap, established in 2014 at 471 (271 (county only), and 200 Seattle & County “Dual” vehicles). In addition, 13 for-hire vehicles were voluntarily converted to Wheelchair Accessible Vehicles (WAV’s).

**Table 3 – For-Hire Vehicles**

Jurisdiction	2014	2015	2016	2017
King County Only	269	273	273	273
City Only	0	0	0	0
Dual (King County and Seattle)	197	197	197	198
Total	466	470	470	471

**Transportation Network Companies and Vehicles**

Ordinance 17892 (2014) established a new type of for-hire transportation provider called a Transportation Network Company (TNC), and defined the TNC as, “a person licensed under this chapter that provides application dispatch services via an application dispatch system to connect drivers with passengers for the transportation of passengers for fares” (KCC 6.64.010 CC). In the Seattle-County market, 2017 was the third full year of Transportation Network Companies being licensed to operate.

Ordinance 17892 also authorized a new type of for-hire transportation vehicle to operate in unincorporated King County. Effective with the implementation of the ordinance, personal vehicles used to provide ride-share services via an “app,” are required to have a vehicle endorsement. Incorporated into the application for a for-hire driver permit (discussed on page 10), vehicle endorsement applications were received beginning in December 2014, and the first vehicle endorsements were issued in January 2015. Although there are other requirements associated with TNC vehicles, all must successfully complete an annual safety inspection performed by, or under the supervision

of, an approved, ASE certified master mechanic. The following table (Table 4) shows the number of TNC vehicle endorsements approved annually:

**Table 4 – TNC Vehicle Endorsements Approved\***

Jurisdiction	2014	2015	2016	2017
King County Only	0	65	26	4
City Only	1	1,236	2,634	4,351
Dual (King County and Seattle)	15	7,884	15,998	24,403
Total	16	9,185	18,658	28,758

\*Excludes vehicles with jurisdiction changes throughout the year

### For-Hire Driver Licensing

Every driver operating a taxicab or for-hire vehicle within the County must have a for-hire driver license. In 2017, RALS received 2,610 for-hire driver applications and issued a total of 2,453 for-hire driver licenses (includes applications from prior year). The actual number of for-hire drivers operating at any given time is difficult to calculate because taxicab drivers operate on a full-time, part-time, and seasonal basis. See Table 4 (below) for historical information on annual applications received and processed.

**Table 4 - For-Hire Driver Licenses Issued**

Year	Dual	County Only	City Only	Limo	Total Number Licensed
2005	1,991	490	21	0	2,502
2006	1,998	477	19	0	2,494
2007	1,969	502	17	0	2,488
2008	2,231	492	15	0	2,738
2009	2,281	689	9	0	2,979
2010	2,550	310	10	169	3,039
2011	2,713	337	32	143	3,225
2012	2,574	231	58	103	2,966
2013	2,767	215	29	87	3,098
2014	3,307	229	24	80	3,640
2015	3,410	192	11	44	3,657
2016	2,882	248	7	15	3,152
2017	2,262	178	9	4	2,453

To ensure public and passenger safety, each applicant is carefully screened and must complete several requirements to obtain a for-hire driver’s license. All new for-hire driver applicants are required to complete driver training and pass the for-hire driver examination. Additionally, all new and renewing applicants must pass an annual criminal background check and driving record review.



In December of 2015, King County Licensing executed a contract with a third party vendor to provide criminal background checks and driving records for taxi and for-hire applicants. As before, new driver applicants are subject to fingerprinting and a federal background check. For renewal applicants, however, criminal background checks are conducted through the contracted service provider. Additionally, all driver abstracts (driving history report) for new and renewal applications are now provided by the contracted service provider, and include data from the Washington State Department of Licensing and multiple other states.

All new applicants must take and pass an examination. In 2014, the written examination process was made available online. The exam tests for applicant knowledge of fare determination, driver-passenger relations, driver conduct, ability to understand oral and written directions, vehicle safety requirements, driver regulations, emergency procedures and taxicab equipment for drivers’ personal safety. A separate section of the exam tests geographic knowledge of the County, its surrounding areas and local tourist attractions. Applicants must pass the exam with a minimum score of 80 percent.

With the implementation of Ordinance 17892, driver training and examinations are required to be completed prior to submitting an application.

There were 1,598 tests administered to 859 unique users in 2017 (Table 5). Many tests were re-tests for applicants who had previously failed an earlier test or tests. As can be seen below in Table 5, during 2017 applicants completing the electronic exam achieved a 41 percent pass rate, a higher passing rate than 2016.

**Table 5 - Written/Electronic Examination Results**

Year	Tests Given	Passes	Fails	Percent Passed
2005	701	331	370	47%
2006	703	271	432	39%
2007	885	335	550	38%
2008	1,045	381	664	36%
2009	1,383	490	893	35%
2010	1,050	365	685	35%
2011	681	252	429	37%
2012	579	310	269	54%
2013	1,185	509	676	43%
2014	929	403	526	43%
2015	3,890	1,780	2,110	45%
2016	1,931	773	1,158	40%
2017	1,598	662	936	41%

## **For-hire Driver Permits**

With the adoption of Ordinance 17892 incorporating TNC services, many more drivers are required to apply for licenses. Although essentially the same as a for-hire driver license, drivers operating a personal vehicle for a TNC are required to obtain a for-hire driver permit (as well as a Vehicle Endorsement as described on page 7).

TNCs may submit applications for for-hire driver permits and vehicle endorsements on behalf of their drivers. TNC drivers complete the onboarding process with their respective TNC prior to the application being submitted. A complete application includes: certification of county-approved, company-provided, for-hire driver training and testing; a criminal background check report; a driver's abstract (driving history) report; and vehicle registration (s) and vehicle safety inspection form (s).

TNCs conduct background and driving record checks for their applicants through the County approved third party providers. Background and driving records are submitted to King County Licensing as part of the for-hire driver permit application process.

King County Licensing staff conduct discretionary applicant interviews when a driving record includes multiple moving violations that are not serious or numerous enough to substantiate an immediate denial. Similarly, interviews are conducted and additional research is performed when criminal background check reports identify violations where additional information and clarification is needed prior to making a licensing determination.

In 2017, a total of 63,550 TNC for-hire driver permit applications were received, and 27,842 unique TNC for-hire driver permits approved. The significant difference in "received applications" compared to "approved" is related to a variety of factors, including but not limited to: 1) more than one application is received for a driver since drivers often drive for more than one TNC; 2) rejected applications must be resubmitted (if information is missing, out of date, or does not match); and 3) applications received at the end of the year may not be processed until the beginning of the following year. Table 6 (next page), shows the total number of for-hire driver permit applications received and approved beginning in 2014 (December) when licensing requirements went into effect:

**Table 6 – Total Count of For-hire Driver Permits:**

TNC For-hire Driver Permits	2014	2015	2016*	2017
TNC For-hire Driver Applications Received:				
Total TNC For-hire Driver Applications Received	2,047	20,322	36,432	63,550
TNC For-hire Driver Permits Approved:				
King County Only	0	15	25	17
City Only	1	15	3	6
Dual (King County and Seattle)	12	8,899	18,171	27,819
Total For-hire Driver Permits Approved	13	8,929	18,199	27,842

\*2016 (City Only) updated.

**Response Times**

KCC 6.64.730 requires RALS to establish and regulate a schedule of optimum times for responses to requests for taxi service. Each year, RALS conducts a survey of taxicab company dispatch records to determine *actual* response times (Table 7) for service requests, which are then compared to the *optimum* response times (Table 8). In 2017, the average service response times met the established optimum response time guidelines in four of the eight zones.

In developing the optimum average taxicab response times, the County is divided into the following eight zones described in Table 7 below and shown in Figure 1 on page 13.

**Table 7 - King County Taxicab Service Area by Zone<sup>1</sup>**

Zone	Service Area	Description
A	North City	Shoreline, Lake Forest Park, Kenmore, North County
B	Northeast County	Bothell, Woodinville, Fall City, Sammamish, Issaquah
C	Eastside	Bellevue, Kirkland, Redmond
D	South/Southwest County	White Center, Burien, Des Moines, West Kent, Airport (West of I-5)
E	North/Southeast County	Renton, Tukwila, May Creek, Newcastle, North Kent (east of I-5)
F	South County	Federal Way, Auburn, South Kent
G	Southeast County	Enumclaw, Black Diamond, Covington, Maple Valley
City	Seattle	All Seattle City Limits

<sup>1</sup> Taxicabs at Seattle-Tacoma International Airport are available on demand; therefore, the response time is zero and is not included in Zone D (the airport area).

**Table 8 - Average Response Time in Minutes<sup>2</sup>**

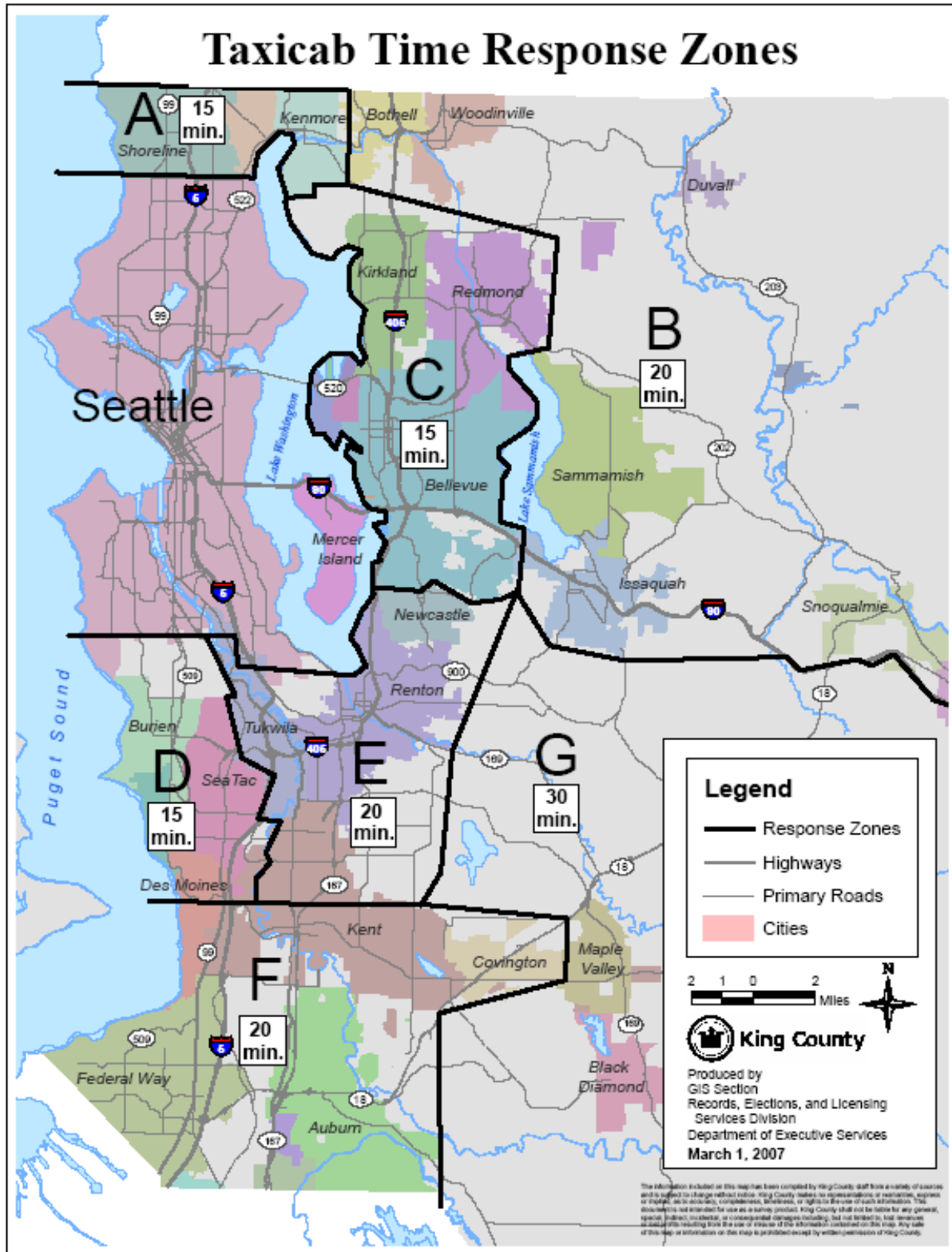
Zone	Service Area	Optimum Average	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
A	North City	15	14	17	18	18	17	17	20	20	18	17
B	Northeast County	20	19	18	17	18	15	15	14	25	20	21
C	Eastside	15	13	18	17	18	15	15	14	18	17	15
D	South/SW County	15	14	13	14	15	14	15	15	15	16	14
E	North/SE County	20	18	16	16	16	14	15	15	16	23	18
F	South County	20	17	19	18	18	16	17	17	14	18	16
G	Southeast County	30	29	24	21	18	13	17	10	18	11	15
City	Seattle	10	10	10	10	10	9	13	10	11	14	14

**Table 9 - Minutes +/- Optimum Response Time by Zone**

Zone	Service Area	2014 +/- Optimum Average	2015 +/- Optimum Average	2016 +/- Optimum Average	2017 +/- Optimum Average
A	North City	5	5	3	2
B	Northeast County	-2	5	0	1
C	Eastside	-1	3	2	0
D	South/SW County	0	0	1	-1
E	North/SE County	-5	-4	3	-2
F	South County	-3	-6	-2	-4
G	Southeast County	-20	-12	-19	-15
City	Seattle	0	1	4	4

<sup>2</sup> Response times are calculated as the time elapsed from when the trip is created in the dispatch system to the time the meter is engaged. The meter is engaged after the customer has been seated and the vehicle begins to move.

Figure 1 - Taxicab Optimum Response Time by Zones



## **Enforcement**

### **Overview**

As a result of the interlocal agreement, the County and Seattle each enforce the regulations of the other for their respective licensing responsibilities. In addition to unincorporated King County, RALS also enforces for-hire regulations for the Port at SeaTac International Airport, and in the cities of Auburn, Bellevue, Burien, Covington, Enumclaw, Federal Way, Issaquah, Kenmore, Kent, Kirkland, Maple Valley, Redmond, Renton, Sammamish, SeaTac, and Shoreline (Table 1). This work is done through interlocal agreements.

### **Process**

The King County Code provides authority for enforcement of for-hire regulations. These include:

1. Notice and Orders issued upon observation of a violation;
2. Administrative Notice and Orders for license denials, suspensions, revocations and civil penalties with a provision for an administrative appeal.

Seattle issues Notice of Violations to city, and city/county “dual”, licensed vehicles and drivers for infractions which may carry a monetary civil penalty.

### **Passenger Complaints**

The County, Seattle, and the Port share a taxicab complaint line, **206-296-TAXI**. This number is visibly displayed in all Seattle and County taxicabs so that passengers have easy access to the taxicab regulatory body if their experience is such that a complaint is warranted. All complaints are investigated and results may include an assessment of monetary civil penalties and/or temporary or permanent license suspension issued through a notice and order process.

**Table 10 - Number and Nature of Complaints**

Year	Short Haul/ Refusal	Wrong Rate/ Wrong Route	Driver Conduct	Vehicle Condition	Service/ Response	Total Complaints
2007	3	0	3	0	0	6
2008	11	0	11	0	0	22
2009	1	9	22	0	0	32
2010	0	18	68	1	4	91
2011	2	25	81	1	2	111
2012	6	7	52	3	4	72
2013	19	20	68	2	6	115
2014	15	27	82	2	31	157
2015	13	51	60	3	6	133
2016	3	34	46	2	11	96
2017	7	55	55	3	11	131

## Rates

The meter rate taxicab drivers charge the public are regulated by KCC 6.64.760. Table 11 (next page), provides the breakdown of the taxicab rates since 1974. The initial charge is called the “drop rate.” In September of 2012, the calculation for the per mile charge changed to 1/9 of a mile from the previous 1/10 of a mile. When the vehicle slows down below 12 mph, the passenger is charged based on wait time instead of the per mile fee.

In November 2014, the meter drop rate was increased by ten cents (\$0.10) to incorporate the Wheelchair Accessible Surcharge (WAS) fee required by Ordinance 17892. No rate changes were made in 2017. Table 11 (next page) provides a history of taxicab meter rates.

**Table 11 - King County Historical Taxicab Rates**

Year	Drop Rate	Fee per Mile	Fee per Wait Minute	Extras
1974-1976	\$0.80	\$0.60	\$0.12	\$0.20
1976-1979	\$0.90	\$0.70	\$0.12	N/A
1979-1980	\$1.00	\$1.00	\$0.30	\$0.50
1981-1984	\$1.00	\$1.20	\$0.30	\$0.50
1984-1986	\$1.00	\$1.20	\$0.30	.50 over 2
1987-1992	\$1.20	\$1.40	\$0.35	.50 over 2
1992-2005	\$1.80	\$1.80	\$0.50	.50 over 2
2005-2008	\$2.50	\$2.00	\$0.50	.50 over 2
2008-9/2012	\$2.50	\$2.50	\$0.50	.50 over 2
9/2012-11/2014	\$2.50	\$2.70	\$0.50	.50 over 2
11/2014-Present	\$2.60	\$2.70	\$0.50	.50 over 2

For trips requested/dispatched via an “app” (or Application Dispatch System (ADS)), fares are set by the company and not by code or public rule, whether the trip was provided by a taxicab, for-hire vehicle, or TNC vehicle.

TNC trips are subject to a \$0.35 per ride fee for rides originating within the County and \$0.14 for rides originating in Seattle.

### **Taxicab Scrip Vouchers**

King County Metro's Accessible Services program issues taxicab scrip to county residents age 18-64 who have a regional reduced bus fare permit and have income at or below 70 percent of the state median income or age 65 and over.

Registrants may purchase up to seven books of scrip from Metro each month; scrip does not expire. Each booklet has a \$10 face value and contains coupons in \$0.50 and \$1 denominations. Registrants pay 50 percent of the face value or \$5 per booklet. Currently, six taxicab companies participate in the taxicab scrip program. Historically, most trips are short and taken in the urban Seattle area where taxi service is more available and destinations are closer together.

### **WHEELCHAIR ACCESSIBLE TAXICAB LICENSES**

In 2010, the King County Council established 45 permanent Dual (City/County) Wheelchair Accessible Taxicab (WAT) licenses through approval of Ordinance 16824. This addition brought the total WAT vehicle licenses to 50 when added to the preexisting five county only WATs that were established in 2008 as an outcome of a Request for Proposal related to the 2005 “Alternative Ways to Structure a Taxicab Association Project.” In cooperation with Seattle, the 45 licenses issued in 2010 were approved and issued as dual City/County WAT licenses. Thirty of the licenses were issued through a lottery process conducted by Seattle in 2010 and the remaining 15 were issued in 2011 through a Request for Proposal process managed by the County.



In 2016, Seattle issued City WAT licenses to the five vehicle owners who previously held County-only WAT licenses, adding to the 45 WAT licenses already licensed in both jurisdictions, for a total of 50 permanently designated wheelchair accessible taxicabs (WAT). In addition, regular taxicabs can be converted to wheelchair accessible taxicabs. In 2017, there were 14 wheelchair accessible vehicles (13 newly approved) operating with regular for-hire medallions.

Ordinance 17892 (2014) introduced the addition of a Wheelchair Accessible Services fee surcharge. The Ordinance requires all for-hire transportation service providers regulated under Chapter 6.64 KCC (Taxicabs, For-hire vehicles, and TNC vehicles) to collect and remit to the County, ten cents (\$0.10) per trip for all rides that originate within unincorporated King County and municipalities that contract with the county for for-hire transportation regulatory services. The revenue from the fee is intended to be distributed to eligible owners and drivers of wheelchair accessible for-hire vehicles to offset the higher operating costs associated with these vehicles. Collection of the fee began November 12, 2014.

King County Public Rule FIN-10-3, Wheelchair Accessible Services Fund – Disbursement sets forth the conditions and procedures for disbursing the Wheelchair Accessible Service (WAS) Fee Surcharge proceeds to wheelchair accessible taxicab or wheelchair accessible for-hire vehicle owners and drivers.

**Table 12.1 WAT Vehicle Maintenance, Equipment and Acquisition Reimbursement**

Year	WAT Vehicle Maintenance, Equipment & Acquisition
2014	N/A
2015	\$89,500
2016	\$35,934
2017	Payable 2018

**Table 12.2 Wheelchair Passenger Trip Reimbursement**

Year	Wheelchair Passenger Trip Reimbursement	Count of WAT Certified Drivers Reimbursed
2014	\$880	27
2015	\$12,240	69
2016	\$47,020	91
2017	\$69,480	58

## **APPENDIX – KING COUNTY TAXICAB HISTORY 1976 TO 2016**

**1976:** The County, Seattle, and the Port embarked on a program to regionalize taxicab regulations and licensing by developing consistent regulations and services across jurisdictions. The intent was to promote public safety and customer service by standardizing fees, regulations, enforcement, and rate review procedures throughout the County (King County Motion 2362).

The County regulated entry into the taxicab market and rates charged to passengers. Entry was restricted by a population ratio formula and the King County Council set rates after reviewing prescribed criteria. This “need and necessity” provision required new applicants to show that there was a bona fide need for taxicab service in that zone.

**1976 to 1979:** The “need and necessity” provision of the King County Motion limiting entry was deleted, resulting in an increased number of licensed taxicabs. The Port terminated its exclusive contract for taxicab services at SeaTac International Airport, and a growing number of independent taxicab operators obtained permits to service SeaTac International Airport.

**1979 to 1984:** The County and Seattle passed ordinances deregulating entry standards and rates (King County Ordinance 4232). With no restrictions on the numbers of licenses issued, taxi owners set their own rates. The deregulation of taxicab licensing resulted in many problems in each jurisdiction. As deregulation continued, consumer views of taxicabs continued to decline; conditions were viewed as deteriorated and rate differences created the perception of price gouging.

**1984:** Regulation returned and a conscious effort was made to address the rate variation problem and to increase safety and improve cab conditions. A moratorium was placed on the issuance of new taxicab licenses and rates were set by ordinance.

**1985:** The County's entry moratorium on licenses expired in 1985, returning the County to open entry; however, rates continued to be set by County ordinance. Also in 1985, the Port placed a moratorium on permits to operate at SeaTac International Airport.

**1986:** The Ad Hoc Taxi Committee was created to study and recommend a method for determining the optimum number of taxis to operate in the County, the criteria and method for setting and/or changing taxicab rates, and to develop a plan for ensuring reciprocity in enforcement and licensing of taxicab businesses. The work of the committee resulted in Ordinance 7964, which created a process to establish rate and entry recommendations based on objective data rather than industry requests, while also placing a moratorium on the issuance of new taxicab licenses.

Since 1986, open entry existed for three brief periods, once during the verification process of a referendum in 1987, in early 1988, and for approximately one month in 1989.

**1988:** The County, Seattle and the Port formed the Regional Taxicab Commission to recommend rates, entry restrictions, and other related revisions to King County Code Ordinance 8450.

**1990-91:** In the fall of 1990, County and city staff drafted an ordinance incorporating many of the 1988 Regional Taxicab Commission entry model recommendations. Recommendations included increased standards for licensing and operations of taxicab vehicles and for-hire drivers, proposed closed entry and maintained a single ordained rate

at an increase of approximately eight percent from \$1.20 drop/\$1.40 mile, to \$1.30 drop/\$1.50 mile. The fixed rate proposed was the same as the highest rate Seattle allowed (ceiling rate). County Proposed Ordinance 90-948 and Seattle Ordinance 108357 were submitted to the county and city councils in November 1990. A joint hearing was held on January 14, 1991, and Seattle adopted the proposed ordinance. Seattle, however, maintained its ceiling rate approach. The King County Council passed Ordinance 9986, permanently closing the issuance of new taxicab licensing.

**1992:** The County Executive's original rate submission in 1990 of \$1.30 drop/\$1.50 mile was increased in July 1992 to \$1.60 drop/\$1.60 mile. The industry lobbied for a higher rate, and the King County Council adopted its request of \$1.80 drop/\$1.80 mile/\$.50 per minute waiting time.

King County Council passed Ordinance 10498 which significantly changed the for-hire vehicle or taxicab, and for-hire driver standards and regulations. Ordinance 10498 implemented many changes, including:

- Continuing the closed entry system;
- Increasing taxicab rate fee from 1.60 drop/\$1.60 mile to \$1.80 drop/\$1.80 mile;
- Changing the quarterly data collection process to an annual filing;
- Eliminating the required use of net profit ratio formula in rate and entry recommendations;
- Enhancing the mechanical certification process for vehicles;
- Enhancing the safety and cleanliness requirements for vehicles;
- Increasing the number of mandatory safety inspections;
- Increasing the for-hire driver standards for entry and denial of licenses; and
- Establishing several provisions to address consumer protection issues.

**1995:** The County and Seattle entered into a Cooperative Agreement. The agreement grants authority for the County to issue Seattle for-hire driver licenses as an agent for the city and for Seattle to issue county taxicab vehicle licenses as an agent for the County. This agreement also grants authority for city and county license inspectors to enforce both city and county taxi codes, and both licenses can be obtained at one convenient location.

**1996:** In late 1996, Seattle proposed changes to its taxicab ordinance to streamline its laws with county regulations. However, Seattle went further in several areas. Most significant was the requirement that taxicabs belong to associations. Associations are separately licensed entities that maintain a level of oversight liability for operations by vehicle owners and drivers, thereby placing some of the burden of cost to improve service standards on the industry itself. A monetary penalty schedule was established that set fines for violations by drivers, owners, and taxicab associations. Vehicle age restrictions were also implemented. In 1997, all city drivers were required to retake the written examination. All city drivers (new and renewals alike), were required to take an oral test to demonstrate English language proficiency. These changes affected approximately 80 percent of county licensees since drivers were required to have both city and county licenses.

**2000:** King County Council passed Ordinance 13984 amending standards for the denial of a for-hire driver license. The ordinance added mandatory denial language for applicants with bail forfeitures or convictions within five years of the date of application for vehicle assault, vehicular homicide or reckless driving. In addition, the ordinance itemized a number of criminal offenses as set out in state law (RCW Title 9) as discretionary grounds for the denial of a license.

**2001-08:** Beginning in the spring of 2001, the County, the Port, and Seattle formed a “Regionalization Workgroup” to study the feasibility of opening access at SeaTac International Airport to all licensed taxicabs. The desire was to create efficiencies by further regionalizing county, city and port ordinances and reducing “dead-heading” (taxicabs unable to pick-up passengers must travel back empty), reduce excess pollutants, and expand the number of taxicabs operating across the entire region. Port Commissioners declined to open entry to all taxicabs operating within the County at SeaTac International Airport and re-signed an exclusive operating agreement with one taxicab company, STITA.

The County, led by Metro’s Accessible Services, joined a task force with representatives from Seattle, the Port, and other stakeholders to address the issue of taxicab accessibility for citizens with wheelchairs and other mobility devices. In late 2003, Metro Accessible Services secured grant money from the state and began meeting with King County RALS and Seattle representatives to develop implementation plans for licensing and placing into service wheelchair-accessible taxicabs. Ordinances were passed by both the County and Seattle to initiate a demonstration project to study wheelchair accessible taxicab service issues.

In 2004, Ordinance 15059 increased taxicab vehicle and driver fees to help recover licensing and enforcement costs and reflect inflation. Vehicle fees increased from \$240 to \$300 per year and for-hire driver application fees increased from \$60 to \$75 per year (plus a \$5 photo fee).

A taximeter rate increase was proposed (Proposed Ordinance 2004-0466) to increase rates from \$1.80 drop/\$1.80 per mile to \$2.50 drop/\$2.00 per mile. Rates had not been increased in nearly twelve years (since 1992) and the cost of living had increased 36 percent. In addition, operating costs such as fuel had soared by more than 78 percent since 1992. Based on a 15-mile trip, the proposed rate represented only a 13 percent increase. The increase was proposed by Seattle’s Taxicab Advisory Group, which included taxicab drivers, owners and associations; senior and disabled citizens from the community; and Department of Social and Health Services providers.

**2005:** County Ordinance 15132 increased taximeter rates to \$2.50 drop/\$2.00 per mile. The rates went into effect on April 1, 2005, for both the County and Seattle. The County and Seattle inspectors worked together to ensure all 842 taxicabs had their meters tested and sealed by early afternoon that day. As an added convenience to the taxicab owners and drivers, the County and Seattle staff arranged the special meter inspections to occur at the taxi company lots.

County Ordinance 15263 established the Wheelchair Accessible Taxicab (WAT) Demonstration project, and also included minor changes which affected taxicab insurance, added an additional driver safety training requirement, added a mandatory oral English test, and changed the taxicab licensee year. The ordinance became effective September 18, 2005, and the pilot project was implemented in October 2006.

County Ordinance 15309 approved a methodology for issuing additional taxicab licenses and made taxicab licenses issued after January 1, 2006, nontransferable (effective November 13, 2005). Taxicab licenses issued before January 1, 2006, are transferable meaning that they can be bought and sold on the open market. The non-transferability issue arose from complaints and comments received from taxicab drivers during public hearings on the WAT Demonstration project.

County Ordinance 15282 established the Accessible Taxi Advisory Committee to be

selected in the spring of 2006. The committee consists of nine members recruited by the County Executive in consultation with the King County Council. Membership of the committee reflects the diversity and geographic distribution of county residents. Seven of the members were appointed before start-up of the WAT Demonstration project and the remaining two positions were filled later by WAT users having experience with the service. This committee helped ensure that the pilot project was implemented in a way that accurately gauged the demand for and viability of accessible taxi service in the Seattle and County markets. The committee monitored the preparation for and implementation of the pilot project and advised the King County Licensing and Metro Accessible Service sections.

**2007:** Public Rule LIC 8-3 was adopted, as allowed under the 2005 Ordinance 15309, to test alternative ways of structuring taxi associations and the terms of taxicab license leases, while improving taxi driver/lessee economic viability and achieving environmental benefits by requiring hybrid vehicles.

**2008:** Ordinance 15951 increased and changed meter rates as follows: fee per mile changed to \$0.25 per 1/10 mile from \$0.20 per 1/10 mile and fee per wait minute changed to \$0.50 per minute (charged at \$0.25 per 30 seconds) when the vehicle slows below 12 miles per hour from \$0.20 per minute when the vehicle slows below 17 miles per hour. There was no change in the drop rate.

A Request for Proposal (RFP) process established five new county-only Wheelchair Accessible Vehicle Licenses in 2008 as an outcome of a Request for Proposal related to the 2005 “Alternative Ways to Structure a Taxicab Association Project.”

**2009:** Ordinance 16695 increased fees for the for-hire driver licenses, added a new fee for rescheduling and corrected change of owner dates, which took effect January 1, 2010.

**2010:** Ordinance 16824 established forty-five permanent Wheelchair Accessible Taxicab licenses to be issued as dual city-county licenses and regulating wheelchair accessible taxicab licenses; making technical corrections; and amending Ordinance 10498.

**2011:** King County Council and the Seattle City Council appointed 10 members to the joint Seattle/County Taxicab Advisory Commission, which was established by Ordinance in 2009. The commission had its first meeting in July. The purpose of the Taxicab Advisory Commission is to study regulations, rules, policies and issues relevant to the provision of high-quality taxicab service in Seattle and the County while ensuring the economic viability owning and driving taxicabs, and to make recommendations to Seattle and the County on these matters.

**2012:** Ordinance 17404 increased and changed taxicab meter rates in September as follows: increasing the fee per mile changed to \$0.30 per 1/9 mile from \$0.25 per 1/10 mile and the fee per wait time of \$0.50 per minute changed to charge at \$0.30 per 36 seconds from \$0.25 per 30 seconds. There was no change in the drop rate.

**2013:** Ordinance 17665 modifications addressed industry concerns for public safety and taxicab standards, along with changes identified in the Lean value stream mapping event conducted by Records and Licensing Services (RALS). The Lean effort in RALS identified process improvements to the for-hire driver application process that are incorporated in the code revisions.

**2014:** On September 15, 2014, Ordinance 17892 was passed and brought numerous changes to the for-hire industry regulations including those related to taxicabs. Consistent

with new legislation passed by Seattle, the County ordinance brought new regulations for a new business model operating as Transportation Network Companies (TNC). Ordinance 17892 also streamlined regulatory requirements across the for-hire industry. New fees, applicable on a per trip basis, were implemented with the new ordinance, including the Wheelchair Accessibility Surcharge (WAS) of \$0.10 per trip, and the TNC Licensing fee of \$0.35 per trip. A new cap was established on for-hire vehicles.

**2015:** King County Licensing began issuing for-hire driver permits and vehicle endorsements to TNC drivers and partnered with Seattle to convert existing taxi and for-hire vehicle licenses into medallions. King County Licensing began drafting a new public rule for the distribution of WAS funds to drivers and vehicle owners. Seattle provides the authority for for-hire transportation drivers to organize (Ord. 124968 – adopted December 14, 2015).

**2016:** Public Rule FIN-10-3-PR, the Wheelchair Accessible Services Fund - Disbursement was implemented effective August 1, 2016. The rule outlines the methodology for distributing the collected surcharge.

Additional 2016 highlights include:

- The Port awarded Eastside for-hire and E-Cab the airport service contract.
- Passage of King County Ordinance 18338 updated insurance requirements for taxicabs, for-hire vehicles, and TNC endorsed vehicles.
- Passage of King County Ordinance 18230 amended the appeal process for license denials, suspensions, revocations and civil penalties from the Board of Appeals to the Hearing Examiner's Office.
- Seattle began implementing Ordinance 124968, regarding collective bargaining rights for for-hire drivers, by establishing Director's Rules to guide the process.
- The Port established a one year pilot contract with three TNC's, adding designated waiting areas, and customer pick up areas at SeaTac International Airport.
- KC Licensing office implemented customer service enhancements
  - Implemented credit card acceptance in the King County Licensing Office
  - Updated the County website to include customer service enhancements and "smartphone" friendly access.
- Seattle increased the TNC per ride fee from \$0.10 to \$0.14.
- Seattle awarded city medallions to the five county-only WAT owners, resulting in a total of 50 dual WAT medallions.