

2020 King County For-Hire Transportation Annual Report

April 2021



King County

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I. Executive Summary

Produced in accordance with King County Code (KCC) 6.64.740, the 2020 For-Hire Annual Transportation Report provides information on the number of taxicabs, for-hire vehicles, and transportation network company (TNC) 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, 2020 and December 31, 2020.

King County's (County) Records and Licensing Services Division (RALS) provides regulatory oversight and code enforcement services over the for-hire transportation industry and is charged with safeguarding passengers, drivers, and the public. RALS regulates the operation of the for-hire industry 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. RALS also manages the for-hire driver permitting and vehicle endorsement functions for both jurisdictions. In addition, RALS has interlocal service agreements with 16 cities and the Port of Seattle to provide for-hire transportation regulatory services.

Ordinance 17892, approved in September 2014, authorized some of the most significant for-hire transportation-related regulatory changes in over a decade.¹ The ordinance added regulations for TNCs and modified KCC Chapter 6.64 to streamline and update regulatory requirements across the for-hire transportation industry.

The information presented in this report depicts a struggling taxicab and for-hire vehicle industry that aligns with owner and driver feedback. Owners and drivers are concerned for the future of their small, independently-owned businesses. If the taxicab business is to survive locally, regulations must be modernized so licensees can leverage their vast industry experience to make the changes needed to achieve success.

The 2019 Annual Report stated the County will work cooperatively with Seattle to align and streamline for-hire regulations in both jurisdictions. In 2020, the County and Seattle regulatory staff collaborated in drafting proposed regulation changes intended to improve alignment between the two jurisdictions, remove unnecessary regulatory requirements, provide entrepreneurial flexibility, and begin the transition to a digital system enabling participation in the virtual mobility marketplace. It is anticipated that the King County Executive will transmit proposed regulation changes to the King County Council in mid-2021.

The COVID-19 pandemic significantly impacted the for-hire industry. Ridership in 2020 dropped severely, with nearly 80 percent fewer trips in the last three quarters of 2020 compared to the last three quarters in 2019. Thousands of drivers parked their cars choosing not to operate, some because demand had plummeted, others to avoid exposure to the COVID-19 virus.

Transportation provided by taxicabs and TNCs was designated by Washington's Governor as an essential service. The County Executive declared mandatory telework for all King County employees with exceptions for first responders and essential workers. Licensing of for-hire transportation providers was

¹ [Link to Ordinance 17892](#)

designated as an essential service.

In 2020, there were 372 taxicabs and 162 for-hire vehicles licensed to operate in unincorporated King County (and contract cities), with an additional 227 taxicabs licensed to operate only in Seattle.

RALS processed and issued just 311 for-hire driver licenses in 2020 (including applications submitted in late 2019 that were approved in 2020). In recent years, this category of applications has steadily declined as many drivers choose to instead apply for a for-hire driver permit and vehicle endorsement allowing them to drive for a TNC (as well as a taxi or for-hire vehicle). Due to mandatory telework orders, the for-hire driver licensing office closed to the public in early March. As an interim measure, all active for-hire licensees with a valid driver license were emailed automatic license extensions throughout 2020. By December 2020, 1,289 license extensions had been issued.

In 2020, RALS received 40,786 applications for TNC for-hire driver permits and vehicle endorsements (includes both new and renewing applicants, duplicates, resubmittals, updates, etc.). RALS approved 15,571 unique drivers to receive TNC for-hire driver permits and 16,594 unique vehicles to receive TNC vehicle endorsements. Following four consecutive years of steady increases to the number of permitted drivers, the number decreased for the first time since TNC regulation began in 2014, due to the disruption caused by the pandemic.

II. Background

In 1979, King County (County), the City of Seattle (Seattle), and the Port of Seattle 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 of Seattle through interlocal agreements to regulate the for-hire transportation industry, described in subsequent sections. A more complete summary of the taxicab and for-hire licensing history in the County is provided in the appendix.

2020 In Review

COVID-19 Pandemic: In response to the COVID-19 pandemic, RALS closed offices to customer-facing services. King County issued a mandate requiring all non-essential employees to telework; however, RALS for-hire licensing services was deemed an essential service. RALS adjusted TNC work to authorize and enable employees to process application materials remotely, including emailing images of the TNC Driver permits directly to the drivers to eliminate the need for in-person contact. RALS issued license extensions to all for-hire driver licensees with a valid driver license to avoid disruption to their business. This allowance was initially anticipated for a limited period assuming pandemic conditions would quickly improve. However, the issuance of for-hire driver license extensions continued through the end of the year and into 2021.

Updating For-Hire Regulations: Throughout 2020, RALS worked closely with the City of Seattle's Consumer Protection Division of the Finance and Administrative Services Department to draft proposed revisions to County and City for-hire regulations. The goals of the proposed revisions are to simplify and align licensing models, remove barriers that limit competition, transition to technology that enables dynamic fares and alternative pricing strategies, and improve customer service. The changes focus primarily on taxicab and for-hire vehicle operations, including:

- A regional medallion model to increase efficiency by allowing all taxicab and for-hire vehicles to pick up passengers anywhere in King County.
- Transition all flat-rate for-hire vehicles to metered vehicles to leverage new technology and increase transparency for customers.
- Establish a regional dispatch agency license to eliminate operating disparities between taxi associations and for-hire companies.
- Update all taxicabs to use smart taximeters that provide the technology and infrastructure to participate in the virtual mobility marketplace, leverage rate flexibility, and improved data

reporting.

- Establish regional taximeter rules allowing dispatch agencies to vary rates based on market conditions and other fare-related flexibility.
- Simplify the penalty structure by realigning the appeals process and establishing two types of enforcement actions: warnings and citations. Realignment of the appeals process will require amending the interlocal agreement with Seattle in addition to updating KCC chapter 6.64.

Seattle Implements Fare-share Ordinance and Approves Minimum Driver Compensation: Seattle imposed additional operating requirements for certain qualifying TNCs, including a \$0.57 tax on TNC trips that originate inside the City limits beginning July 1, 2020. In October, Seattle approved a new law that establishes minimum driver compensation standards for TNCs that perform 200K trips or more per quarter. The minimum compensation requirement is set to take effect January 1, 2021.

Wheelchair Accessible Services Fund: A joint County-City rule (King County Public Rule FIN-10-3-1) went into effect in January 2020 increasing reimbursement rates and establishing new reimbursement categories paid from the Wheelchair Accessible Services fund.

An emergency rule was implemented in March 2020, amending King County Public Rule FIN-10-3-1, to help preserve continuity of wheelchair services during the COVID-19 pandemic. The emergency rule suspended the minimum trip requirements through the end of 2020 and provided for quarterly reimbursements for vehicle maintenance and equipment expenses, which are typically paid annually after the end of the year.

In June 2020 the County and City followed rulemaking procedures to finalize the emergency changes into a formal rule (King County Public Rule FIN-10-3-2) authorizing the emergency allowances through the end of 2020.

Wheelchair Accessible Taxicab Medallions - Request for Proposals: The December 2018 request for proposals to award 25 new Wheelchair Accessible Taxicab Medallions closed in February of 2019 and as of the end of 2019, the 25 new medallions had not yet been awarded. The COVID-19 pandemic struck while the RFP process was ongoing and significantly reduced the demand for for-hire transportation. Given the circumstances, the RFP was cancelled in its entirety.

Anti-Human Trafficking Training: In September 2019, the King County Council passed Motion 15512 requesting the King County Executive to develop a report with recommendations for adding requirements related to human trafficking and commercial sexual exploitation awareness training and testing for for-hire drivers.² The Executive submitted the report in June 2020, which included a recommendation the County develop an anti-human trafficking awareness training video customized to the for-hire transportation industry. The King County Adopted 2021-22 Biennial Budget includes funding to develop and produce the Anti-human Trafficking Training video. RALS is working to get this project underway.

Scooter Share Pilot: The King County Council, via Ordinance 18989 and amended in Ordinance 19137, required RALS to establish and manage an electric scooter share pilot program in the North Highline

² [Link to Motion 15512](#)

Urban Unincorporated Area.^{3, 4} The pilot period began when shared scooters first became available to the public for use, August 17, 2020, and runs through August 16, 2021.

Shared scooters are a new line of business for King County and RALS, with RALS working to develop and foster the program. The elements of a scooter share program parallel RALS' existing for-hire transportation regulatory program in terms of public safety, consumer protection, right-of-way usage, and equity of shared mobility options.

Transportation Regulation Improvement Project (TRIP): TRIP was initiated as a project to implement a new licensing platform as a shared system between the City of Seattle's Consumer Protection Division and King County's For-Hire Licensing team. Implementation of the system has occurred in stages with much of the 2020 work focused on online medallion renewal processing and configuration of the for-hire driver licensing module. Work will continue in 2021 to launch the for-hire driver licensing module and an online portal for drivers to apply and renew their licenses online, rather than visiting the downtown office (the pre-pandemic process).

In addition to staff and customers having access to for-hire licensing in a single location, advanced software tools and integrated technology will improve processing efficiency and converting legacy system data will allow paper records and the legacy licensing systems to be retired.

Service Agreements

RALS regulates the operation of taxicabs in unincorporated King County. In addition, RALS has interlocal service agreements with the Port of Seattle, the City of Seattle, and 16 other cities in the County to provide for-hire transportation regulatory services. Figure 1 is a list of the jurisdictions that contract with the County for regulatory services.

Figure 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

³ [Link to Ordinance 18989](#)

⁴ [Link to Ordinance 19137](#)

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

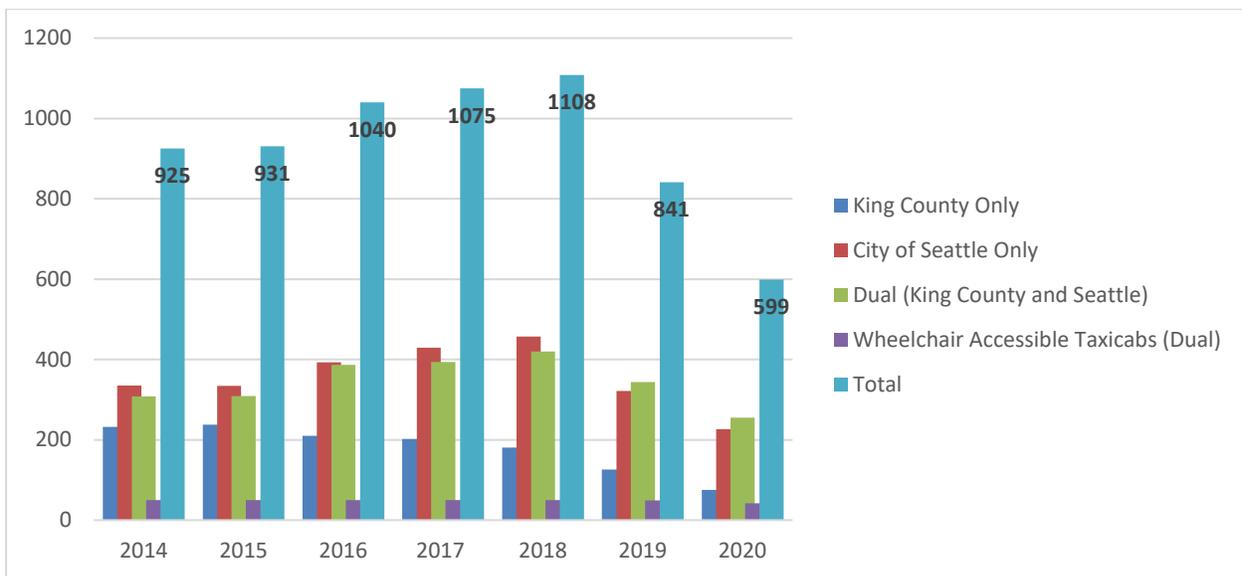
III. Report Requirements

Taxicab and For-Hire Vehicle Licensing

Taxicab and for-hire vehicle licenses converted to medallions in 2015 with the number of available medallions limited by County and Seattle regulations. Medallions licensed to pick up passengers in both the County and Seattle, generally referred to as “dual” medallions, count toward both the County and Seattle caps. In both the County and Seattle, the 50 Wheelchair Accessible Taxicab (WAT) medallions are “dual” and are excluded from the cap.

King County Code caps the number of taxicab medallions allowed in the County at 561 (KCC 6.64.700). In Seattle, the cap is 1,050. Figure 2 shows the sharp decrease in active medallions that began even prior to the COVID-19 pandemic. Nearly all of the 427 inactive taxicab medallions have been voluntarily placed on hold, with some owners citing a lack of business prior to the pandemic, a lack of business as a result of the pandemic, the high cost of operating a taxicab, or to avoid exposure to the COVID-19 virus.

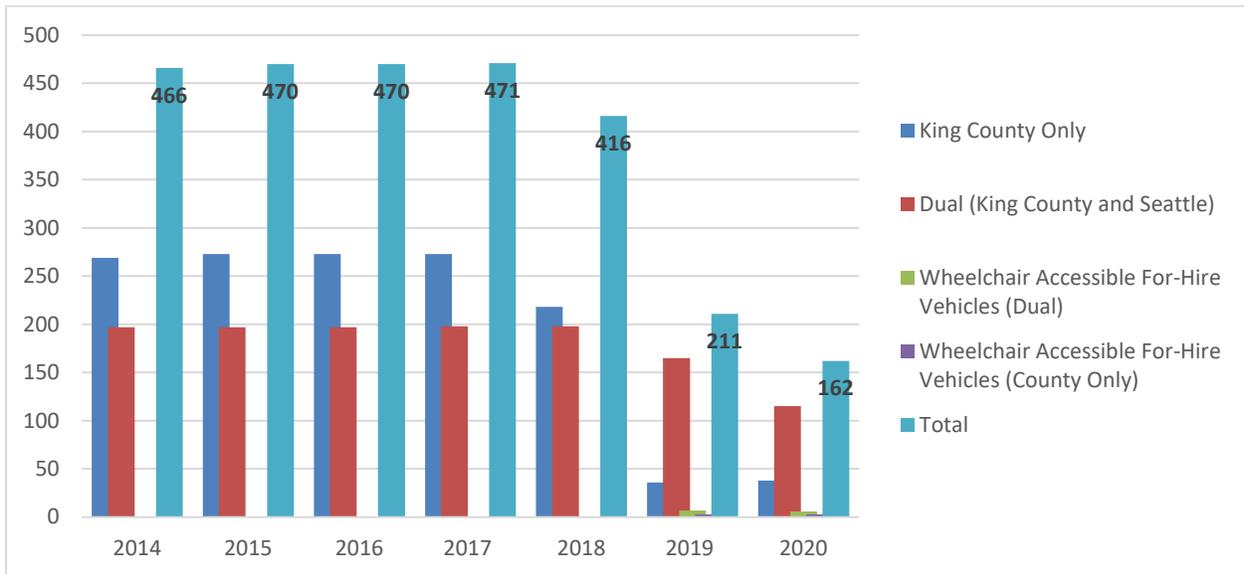
Figure 2 - Number of Active Licensed Taxicabs



For-hire vehicle medallions are capped at 471 in the County, comprised of 271 County-only medallions and 200 Seattle & County “dual” medallions. Figure 3 shows that active for-hire vehicle medallions have decreased even more significantly in recent years than taxicab medallions. The inactive for-hire vehicle medallions are almost evenly split between voluntarily surrendered, expired without renewal, and voluntarily placed on hold. Six dual and three County-only for-hire medallions operated as voluntarily converted Wheelchair Accessible vehicles. For-hire vehicle medallion owners cited many of same issues as cab owners for why they surrendered their medallion or placed it on hold, noting a lack of business, the high cost of operating a for-hire vehicle, or to avoid exposure to the COVID-19 virus.

To assist medallion owners in reducing out-of-pocket expenses while not in service, Seattle created a process for Seattle and County medallion owners to place their medallion on “hold.” Placing a medallion on “hold” allowed owners to reduce their commercial auto insurance expense while their vehicle is not in service. Owners can easily return to service by providing proof of insurance and requesting their medallion to be placed back in “active” status.

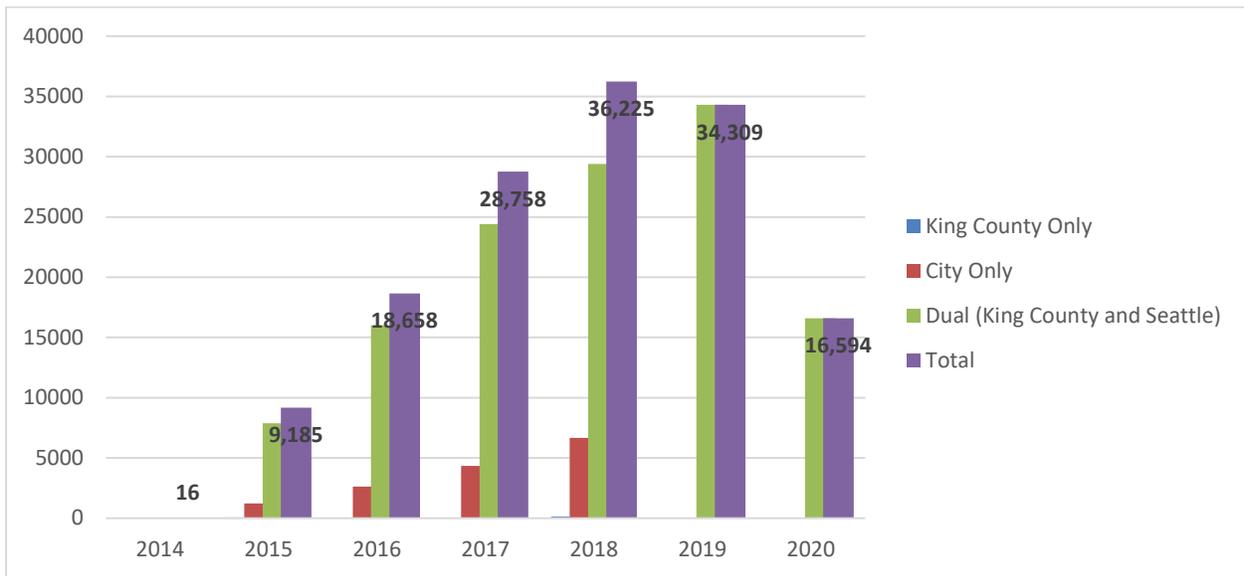
Figure 3 – Number of Active Licensed For-Hire Vehicles



Transportation Network Companies (TNCs) and Vehicles

In the Seattle-King County market, 2020 was the sixth full year of Transportation Network Companies being licensed to operate. Effective with the implementation of Ordinance 17898 in 2014, personal vehicles used to provide ride services via an “app,” are required to have a vehicle endorsement. Vehicle endorsement applications are incorporated into the application for a for-hire driver permit. Among other requirements associated with TNC vehicles, all must successfully complete an annual safety inspection performed by an approved mechanic. The following chart (Figure 4) shows the number of TNC vehicle endorsements approved annually.

Figure 4 - TNC Vehicle Endorsements Approved*



*Excludes vehicles with jurisdiction changes throughout the year

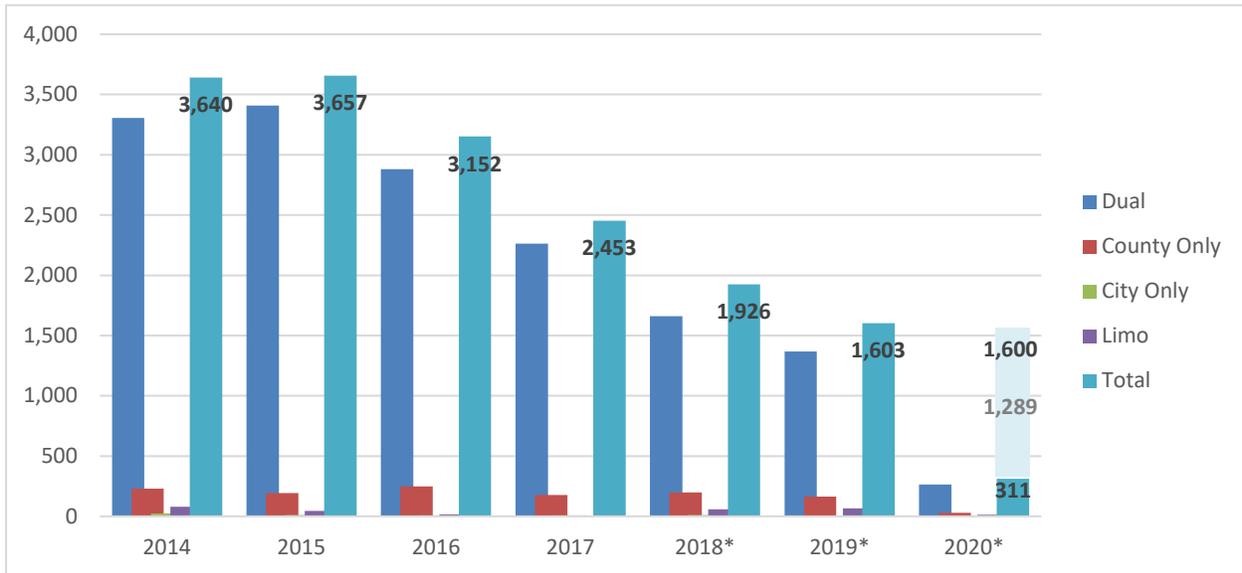
In 2019, the County Council adopted Ordinance 18874.⁵ Ordinance 18874 removed the requirement for TNC drivers to be the registered owner of the endorsed vehicle they drive and added a 10-year age limit for TNC vehicles. These changes aligned with Seattle regulations and resulted in the issuance of County/Seattle “dual” TNC vehicle permits for all TNC affiliated vehicles.

For-Hire Driver Licensing

Every driver operating a taxicab or for-hire vehicle within the County must have a for-hire driver license. In 2020, RALS issued 311 new and renewal for-hire driver applications prior to closing the office for in-person services in mid-March. From mid-March through the end of the year, RALS issued 1,289 license extensions to all for-hire driver licensees with a valid driver’s license. Only two applications for a new for-hire driver’s licenses were received after the start of the pandemic. See Figure 5 for historical information of for-hire driver licenses issued.

⁵ [Link to Ordinance 18874](#)

Figure 5 - For-Hire Driver Licenses Issued



*The 2020 total of 1,600 is a combination of the 311 pre-pandemic applications and 1,289 extensions (includes all license types). The count of licenses issued in 2018 and 2019 were previously underreported and have been updated for this report.

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 and renewing applicants must pass an annual criminal background check and driving record review. Additionally, all new for-hire driver applicants are required to complete driver training and pass the for-hire driver examination, as well as a defensive driving course. There were 360 tests administered in 2020, many of which were re-tests for applicants who had previously failed an earlier test, as the pass rate is 29 percent.

For-Hire Driver Permits

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 (and a vehicle endorsement). 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 TNC prior to the application being submitted. An application includes: certification of County-approved, company-provided for-hire driver training and testing; certification of a defensive driving course completion; a criminal background check report; a driver’s abstract (driving history) report; vehicle registration; and vehicle safety inspection form.

In 2020, a total of 40,786 TNC for-hire driver permit applications were received, and 15,571 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. Figure 6 shows the total number of for-hire driver permit applications received and approved beginning in December 2014 when licensing requirements went into effect.

Figure 6 – Total Count of For-hire Driver Permits

	2014	2015	2016	2017	2018	2019	2020
Total TNC For-hire Driver Permit Applications Received	2,047	20,322	36,432	63,550	86,506	79,200	40,786
TNC For-hire Driver Permits Approved	13	8,929	18,199	27,842	31,676	33,058	15,571
King County Only	0	15	25	17	0	0	0
City Only	1	15	3	6	13	0	0
Dual (King County and Seattle)	12	8,899	18,171	27,819	31,663	33,058	15,571

Response Times

KCC 6.64.730 requires RALS to establish and regulate a schedule of optimum times for responses to requests for taxi service. 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. In developing the optimum average taxicab response times, the County is divided into the following eight zones described in Figure 7 and shown in Figure.

Figure 7 - King County Taxicab Service Area by Zone*

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

* 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).

Each year, RALS conducts a survey of taxicab company dispatch records to determine *actual* response times for service requests, which are then compared to the *optimum* response times (Figure 8). Some zones have occasionally averaged slightly higher than optimum response times in recent years, though not to a problematic extent. In 2020, only two of the eight zones had average service response times a few minutes or less higher than the established optimum response times.

Figure 8 - Minutes +/- Optimum Response Time by Zone

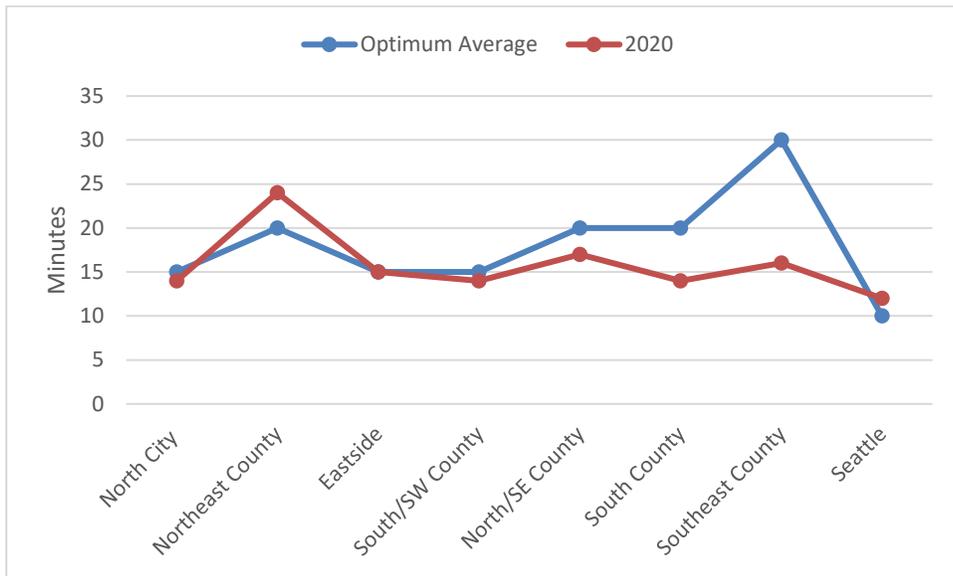
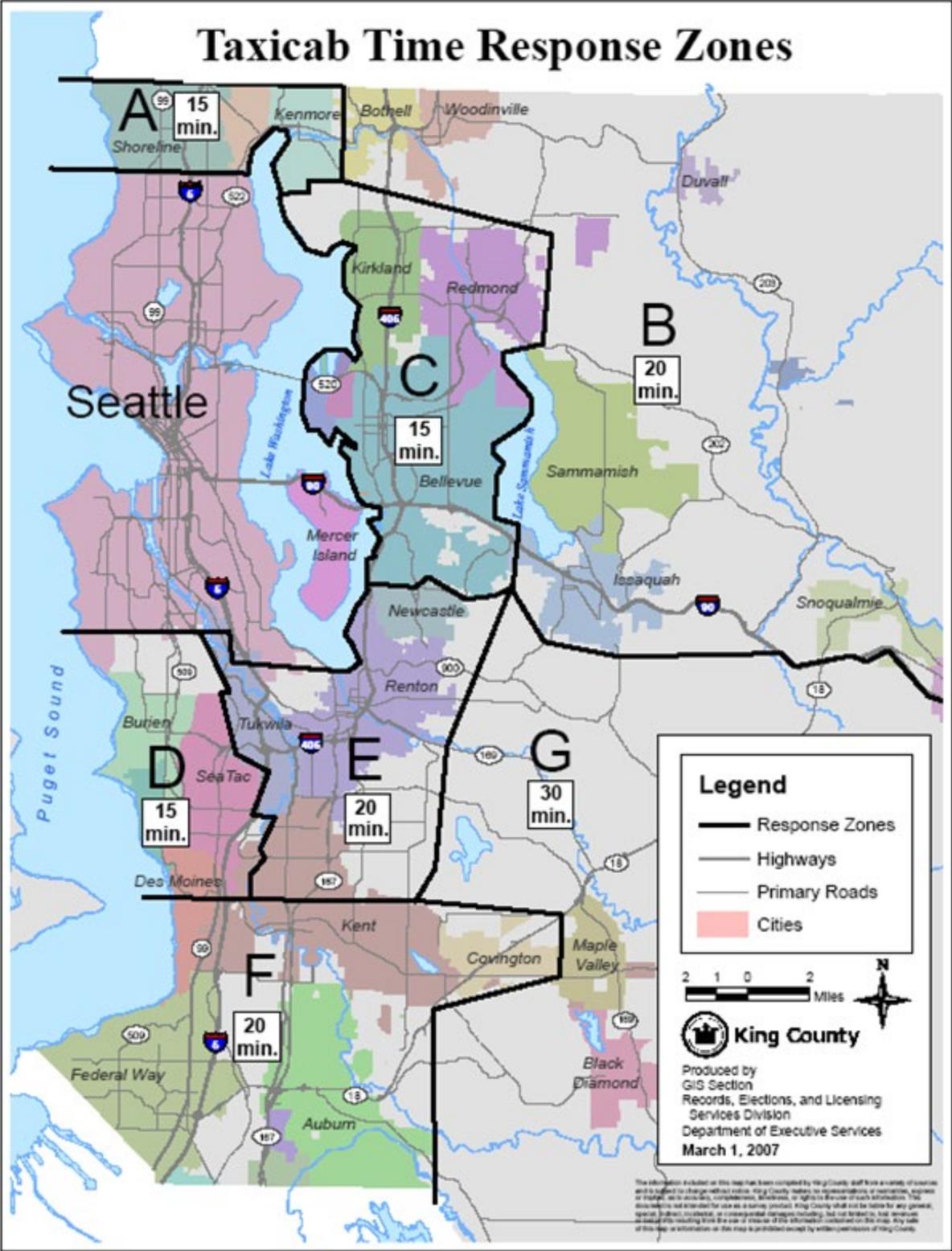


Figure 9 – Map of King County Taxicab Service Area Zones



Enforcement

Under an interlocal agreement with Seattle, 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 through interlocal agreements for the Port of Seattle at Seattle-Tacoma 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 (Figure 1).

Enforcement action occurs as a result of:

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

Seattle issues Notice of Violations (NOVs) to City and City/County “dual” licensed vehicles and drivers for infractions which may carry a monetary civil penalty.

In 2020, due to COVID-19 Pandemic conditions, beginning in March, all field enforcement activities were suspended through the end of 2020. Field enforcement activities include undercover enforcement, which consists of inspectors taking covert rides posing as customers and making assessments about the ride for driver behavior and vehicle condition, with a focus on safety. Figure 10 lists the type of enforcement actions and the number of actions taken for each in 2019 and 2020.

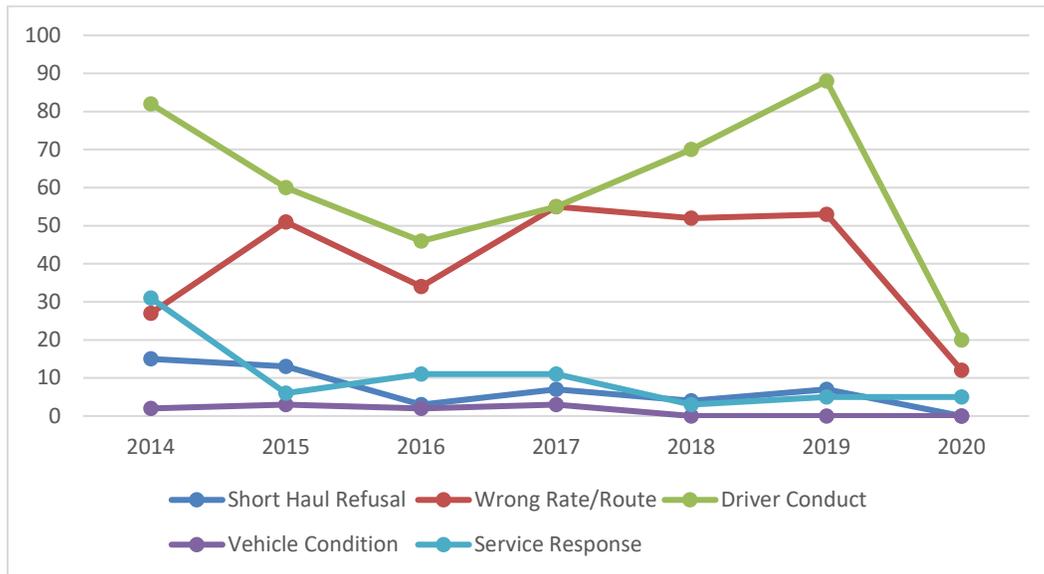
Figure 10 - License and Permit Enforcement Actions

Notice and Order Type	2019	2020
Application denial	14	2
Suspension	49	5
Suspension/Revocation	1	0
Revocation	4	0
Civil Penalty	11	5
Notice of Violation w/Civil Penalty	192	21
Total	271	33

Passenger Complaints

The County, Seattle, and the Port of Seattle share a complaint line, **206-296-TAXI**. This number is visibly displayed in all Seattle and County taxicabs and for-hire vehicles so that passengers have easy access to the regulatory agency if their experience is such that a complaint is warranted. TNC operators are not required to display this complaint line number, however, the TNC application dispatch systems provide the rider the ability to report complaints to the TNC for resolution. All complaints received by the County 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. Figure 11 provides an overview of the number and nature of complaints received in 2020.

Figure 11 - Number and Nature of Complaints



Rates

Taxicab meter rates are regulated by KCC 6.64.760. The initial charge is called the “drop rate” and then a per mile fee accumulates. When the vehicle slows below 12 mph, the passenger is charged based on wait time instead of the per mile fee.

The only changes to taximeter rates in the past decade were:

- A twenty cent (\$0.20) increase to the per mile fee in September 2012, and
- The meter drop rate increased by ten cents (\$0.10) to incorporate the Wheelchair Accessible Surcharge (WAS) fee required by Ordinance 17892 in November 2014. This fee is paid into the Wheelchair Accessible Services Fund.

For-hire companies are required to set their fares and submit them to RALS annually. Additionally, because they do not operate using a meter, for-hire drivers are required to keep a printed rate book to provide to customers upon request.

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

Taximeters typically use a single meter rate (taxicabs licensed in both the County and City use two rates). The rates are static. Rates in a taximeter are adjusted by unsealing the device manually, adjusting the rate, and resealing the meter. Regulatory inspectors must reseal the meter after verifying the rate(s). Rate changes by regulatory action are infrequent and do not respond to market fluctuations that depend on real-time data, such as traffic information, demand for service, and other market conditions.

The traditional taximeter is not designed to provide variable rates, dynamic pricing, calculate split fares, include add-ons other than set increments (\$0.50) to cover ferry fees, road, and bridge tolls, etc. In contrast, smart taximeters modernize rates for the taxi industry. They function like TNC apps and allow dynamic pricing, variable rates, fare splitting, and precise add-ons when approved and configured to do so. The ability to adjust fares using more demand-responsive and data driven fare strategies can increase competitiveness, efficiency, and profitability.

The County has worked with Seattle to allow limited use of smart taximeters in an ongoing pilot to evaluate the technology. The current use of smart taximeters is restricted to replicating the distance and time calculations of a traditional taxi meter. As part of updating County and Seattle for-hire code, RALS would like to leverage the functionality of smart taximeters to allow dispatch agencies the flexibility to establish rates and fare strategies. The regulatory standard will be fare transparency, allowing the customer to accept the estimated fare, or rate, prior to accepting the ride. This is the same standard in place now with TNCs and in other application dispatch systems (apps).

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

Currently, there are 50 Wheelchair Accessible Taxicab (WAT) City/County "dual" medallions, the majority of which were established in 2010 through approval of Ordinance 16824⁶. Regular taxicab medallion holders can also convert their vehicles to wheelchair accessible vehicles and continue to operate under their regular medallion. In 2020, there were sixteen (16) wheelchair accessible vehicles associated 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.

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 are set by rule.

⁶ [Link to Ordinance 16824](#)

For-Hire Transportation rule FIN-10-3-PR was repealed and replaced by FIN-10-3-1-PR effective February 14, 2020. The new joint County-City rule increased reimbursement rates and established additional reimbursement categories for eligible wheelchair accessible vehicle (WAV) owners and drivers. The rule established reimbursement categories for urban, suburban, and rural locations, shift-based reimbursements for fuel costs and evening services, WAV-related training and provides reimbursement for vehicle acquisition expenses.

With the pandemic escalating, and in response to the significant decline in demand for for-hire transportation, RALS and Seattle implemented Emergency Rule ACO-8-22-PR, temporarily waiving minimum trip requirements for certain reimbursement categories. After implementing the emergency rule, RALS and Seattle then incorporated the same changes into rule to provide a longer duration that is not available through emergency rule procedures. Public Rule FIN-10-3-2-PR waives minimum trip requirements until December 31, 2020. RALS and Seattle took action again, in late 2020, to waive minimum trip requirements for 2021, anticipating a slow recovery in for-hire trip requests and the ongoing impacts of the COVID-19 pandemic. Notice of proposed King County Public Rule FIN-10-3-3-PR, was posted for the 45-day public comment period and was scheduled to close January 3, 2021.

Figures 12 and Figure 13 list the amounts reimbursed from the WAS fund since reimbursements first began in 2015.

Figure 12 - WAT Vehicle Maintenance, Equipment and Acquisition Reimbursement*



*The amounts shown are for the year the expense was incurred, though the reimbursements are generally paid in the following year. However, due to the strains endured by WATs during the COVID-19 pandemic, costs incurred in 2020 and 2021 may be paid quarterly. Thus, the 2019 total includes some 2020 quarterly reimbursements, as the 2020 total is not yet available at the time of writing this report.

When a for-hire driver operates a vehicle equipped to transport passengers while the passenger is seated in a wheelchair, the driver is eligible for reimbursement from the WAS Fund to help offset the added cost of providing accessible service. The reimbursement rate in 2020 started at \$20.00 per “Trip

with a Passenger in a Wheelchair” (TPW). The following table (Figure 13) shows the total amount paid for TPW reimbursements, by year, and the number of drivers participating in the reimbursement program.

Figure 13 – Trip with a Passenger in a Wheelchair Reimbursements*

Year	Trips with a Passenger in a Wheelchair (TPW) Reimbursement	Count of WAT Certified Drivers Reimbursed
2014	\$880	27
2015	\$12,240	69
2016	\$47,020	91
2017	\$69,480	58
2018	\$127,500	67
2019	\$213,420	76
2020	\$124,520	62

*In 2018, trip allocation between Seattle and King County was updated to better reflect the responsible jurisdiction when the trip originated with a reported zip code shared by both jurisdictions, resulting in an increase in trips being attributed to the County WAS fund.

IV. Conclusion

Given that response times are on par with optimums and considering the quantity of taxi and for-hire medallions voluntarily surrendered in recent years, an increase in the number of taxi and for-hire licenses is not recommended. Feedback from taxi and for-hire medallion owners and drivers is that they struggle to compete with TNCs, indicating that the current model and regulations need to adapt in order for them to sustain operations.

In 2020, the County continued to work cooperatively with Seattle to better align and streamline respective for-hire codes. These potential revisions will likely incorporate program changes intended to relieve regulatory barriers that may inhibit the taxi and for-hire vehicle sector’s ability to compete in the evolving for-hire transportation industry. As of the writing of this report, drafting and work for for-hire code revisions continues, including outreach to medallion owners, taxi and for-hire drivers, taxi associations and for-hire companies, and other industry stakeholders. It is anticipated that the proposed Code changes will be transmitted to the King County Council in mid 2021.

Appendix A – King County Taxicab History 1976 to 2019

1976: The County, Seattle, and the Port of Seattle 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 of Seattle 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 of Seattle 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 of Seattle 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 Seattle 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 Seattle 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.

2001-04: Beginning in the spring of 2001, the County, the Port of Seattle, 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 of Seattle, 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. The Seattle/King County Taxicab Advisory Commission was established 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.

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 was 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 \$.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 and new per-trip fees were implemented, 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. Seattle provides the authority for for-hire transportation drivers to organize (Ord. 124968 – adopted December 14, 2015).

The Seattle/King County Taxicab Advisory Commission was placed on inactive status in November of 2015 based on the request of Commission members and has remained inactive every year since.

2016: Public Rule FIN-10-3-PR, 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 of Seattle awarded Eastside For-Hire Inc. 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 of Seattle 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, including accepting credit cards and website revisions.
- 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.

2017: Seattle and the County launched the Transportation Regulation Improvement Project (TRIP) to develop a single city/county, consolidated system for handling for-hire licensing and regulations using an electronic, online system.

55 new Seattle-only taxicab medallions were awarded by lottery to existing/qualified drivers and 13 voluntary conversions of regular for-hire vehicles to wheelchair accessible vehicles were approved. Significant work went into reducing the TNC application permit processing backlog from in excess of 90 days to within seven days.

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.

Launched a “Listening and Engagement Tour,” 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, discuss desired changes from the stakeholder/customer perspective, and share ideas and concepts from the regulatory perspective, and to increase direct communication and accessibility between the industry and County/Seattle regulators. As well as discussions focused on opportunities to further leverage the wheelchair accessible surcharge funds.

2018: For-hire driver permit processing maintained a seven-day processing time after reaching historic peaks in excess of 90 days. Coupled with this improvement to processing time, Port of Seattle-SeaTac International Airport Ground Transportation management announced a requirement for TNC for-hire driver permits and TNC vehicle endorsement decals on all vehicles operating at the airport. King County Inspectors partnered with SeaTac Ground Transportation enforcement staff to provide notice of the transition and instructions for how to be compliant with the requirements by March 1, 2018.

King County Ordinance (18665) was adopted, leading to the removal of citizenship status, immigration status and place of birth from for-hire licensing applications.

The 2018 Washington State Legislature appropriated funding and directed the Joint Transportation Committee (JTC) to conduct two studies, one focused on taxi and for-hire vehicle regulations and the other focused on transportation network company regulations. The studies were transmitted to the JTC in January 2019 and can be found here: <http://leg.wa.gov/JTC/Pages/CurrentStudies.aspx>.

For-hire code revisions to chapter 6.64 were discussed with industry stakeholders (associations and for-hire companies, Port of Seattle) to identify changes and improvements of existing language. Specifically, identifying barriers to competition that may exist in county regulations preventing the taxicab and for-hire segment of the for-hire industry from the ability to compete and innovate. A request for proposal (RFP) was advertised to award 25 new wheelchair accessible taxicab medallions in response to requests from consumers and industry to better meet demand for accessible services. The process was planned to award medallions in the first half of the year 2019, though it later closed without award.

King County reduced fees for taxicab and for-hire vehicle licenses, for-hire driver licenses, taxicab association licenses and for-hire company registrations, and transportation network company per-ride fees under the required considerations set forth in King County Code 4A.750.100 (B).

2019: The request for proposals, announced in December 2018, to award 25 new Wheelchair Accessible Taxicab Medallions closed in February of 2019. The selection process was met with several broad requests for public information and protests that delayed awarding the medallions. As of the end of 2019, the 25 new medallions had not yet been awarded.

The County Council adopted Ordinance 18874, removing the requirement for TNC drivers to be the registered owner of the endorsed vehicle they drive and added a 10-year age limit for TNC vehicles.

Taxicab Association Yellow Cab, in cooperation with Records and Licensing Services (RALS) and City of

Seattle Finance and Administrative Services (FAS), deployed a new type of taximeter called a 'smart meter'. The two most notable differences include the use of Global Positioning System (GPS) technology to measure distance and time and the use of real time traffic data that, if authorized by regulation, supports dynamic pricing and other fare pricing strategies that modernize taxi related service. The Yellow Cab smart meter replaced the traditional taximeters that measure time and distance through a mechanical connection to the vehicle.

King County Council passes motion 15512 requesting the Executive to develop a recommendation report for adding requirements related to human trafficking and commercial sexual exploitation awareness training and testing for for-hire drivers.

The Port of Seattle's contract with a single vendor affiliated with a fleet of taxicab and for-hire vehicles for for-hire ground transportation at Seattle-Tacoma International Airport expired in October 2019. The expired contract was replaced by contracts with over 400 individual medallion owners, all of whom operated their vehicles under the previous vendor contract.

King County Council passed ordinance 18989 relating to establishment of an electric scooter share pilot. The ordinance directs the executive to establish a scooter share pilot for up to one year in the North Highline urban unincorporated area of King County.

Seattle adopted ordinances related to TNC drivers: A Minimum Compensation Study ordinance, a Deactivation Rights ordinance and an ordinance imposing a \$0.57 tax on TNC rides to take effect July 1, 2020. The Minimum Compensation ordinance authorizes a study to set a minimum compensation rate of at least the independent contractor equivalent of Seattle's large employer minimum wage (\$16.39 in 2020) plus reasonable expenses. The deactivation rights ordinance establishes a right to be free from unwarranted deactivation, creates an arbitration process for drivers to challenge such deactivations, and funds a Driver Resolution Center to represent drivers at arbitration hearings.