



Attachment C Summary of Proposed Revisions to Taxi Code (SMC Chapter 6.310)

- **Climate Friendly Cabs [Section 5 – SMC 6.310.320 P]**

Allows the Department of Executive Administration Director broader discretion to specify taxicab vehicle standards by Director's Rule. This will allow the Director to specify the use of climate friendly vehicles in support of the Mayor's Climate Plan mandate to reduce greenhouse gas emissions produced by taxicabs. Taxicab licensees would have to obtain climate friendly taxicabs to replace any taxicab taken out of service due to damage, mechanical problems, or vehicle age limit. It is anticipated the Director's Rule will require vehicles rated at least 30 miles per gallon (combined 60 percent city/40 percent highway) with exceptions for 2007 model year or newer clean diesel vehicles using at least B20 biodiesel, alternative fuel vehicles (e.g., compressed natural gas, propane, electric), and wheelchair accessible vans. Fuel efficiency ratings will be derived from the U.S. Department of Energy's Web site www.fueleconomy.gov
- **Incentives for Financing Climate Friendly Cabs [Section 9 – 6.310.380]**

New section includes incentives for U.S. Department of Treasury-approved institutions offering financial assistance to underserved populations to extend loans to individual drivers who might not otherwise qualify for a taxi vehicle loan. Under Seattle's existing law, if the holder of a Seattle taxicab license defaults on a loan secured by the licensed vehicle, he or she may obtain another vehicle to which the license would apply and continue as the holder of a taxicab license, while the original lender has little or no recourse. The new law will require the revocation of a taxicab license if a licensee defaults on a secured loan for which the licensed taxi vehicle was used as collateral, unless the lender formally approves the transfer. This provides lenders more incentive to loan funds to individual drivers who might not be seen as a good loan risk.
- **Adding Cabs to the Fleet [Section 13 – SMC 6.310.500]**

Increases the maximum number of authorized taxicab licenses from 667 to 1,000. The Department of Executive Administration Director will determine the actual number of licenses to be issued based upon unmet demand, as measured by average response times, total revenue trips per taxicab, average operating hours per taxicab, passenger wait time complaints and other factors.
- **Owners Will Be Drivers [Section 6 – SMC 6.310.330 N]**

New provisions for taxicab licenses issued after Dec. 31, 2007. For a period of five years following the date of issuance, the licensee must be a single individual, and personally drive the taxicab for a minimum of 40 hours per week, 40 weeks per year.
- **License Transfers Prohibited for Five Years [Section 7 – SMC 6.310.340]**

Prohibits the transfer of any taxicab license issued after Dec. 31, 2007, for a period of five years after the date of issuance, to discourage speculators from obtaining taxicab licenses to sell at market value.

- **Lease Practices Will Be Regulated [Section 4 – SMC 6.310.315]**
New section regulates lease rates that taxicab licensees may charge taxicab drivers, establishing the maximum lease amount and prohibiting taxicab lessors from passing other charges to taxicab drivers. The new regulation provides protection for drivers from exploitive actions by taxicab licensees, such as “leasing the license” and shifting vehicle operating costs (vehicle purchase, insurance, registration, dispatch fees, etc.) to the drivers. Drivers will be prohibited from subleasing taxicabs to other drivers to prevent subleasing to drivers without licenses in good standing. New York, Boston, Philadelphia, Minneapolis, and San Francisco already regulate driver leases.
- **Taxicab License Fees Will Pay for Industry Regulation [Section 2 - SMC 6.310.150]**
Increases annual taxicab license fee from \$300 to \$600. Increases reinspection and other miscellaneous fees. Total fee revenue is calculated to cover the full cost of the taxicab industry regulatory program. Driver license fees will remain unchanged. License fees were last raised in 2005.
- **Miscellaneous Provisions**
Increase required underinsured motorist insurance coverage from \$50,000/\$100,000 split limits to \$100,000/\$300,000, which is equivalent to the liability coverage required by chapter 46.72 RCW. Updates obsolete provisions and definitions.