

City of Seattle

NOTICE OF PROPOSED RULEMAKING AND OPPORTUNITY TO COMMENT

Taximeters / Application Dispatch Systems / Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles

Calvin W. Goings, the City of Seattle's Director of the Department of Finance and Administrative Services, acting under the authority of Seattle Municipal Code Chapter 6.310, section .140, proposes to adopt three rules:

- Taximeters (FOR-HIRE TRANSPORTATION 04-2021)
- Application Dispatch Systems (FOR-HIRE TRANSPORTATION 05-2021)
- Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles (FOR-HIRE TRANSPORTATION 06-2021)

Electronic copies of the draft rules are available at <http://www.seattle.gov/finance-and-administrative-services/directors-rules>.

All interested persons are invited to present data, questions or comments regarding the draft rules in writing or by phone. All comments must be received no later than 5 p.m. on Oct. 4, 2021.

- To provide comments by phone, please call 206-386-1267
- To submit comments by email, please email matthew.eng@seattle.gov
- To submit comments by mail, please send them to:
City of Seattle
Department of Finance and Administrative Services
Attention: Matthew Eng
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Seattle, WA 98124-7085



Seattle



King County

Department: City of Seattle Department of Finance and Administrative Services	Rule No: FOR-HIRE TRANSPORTATION 04-2021	Supersedes: Clerk File 321468
	Publication: 8/20/2021	Effective: X/X/2021
Subject: Taximeters	Code and Section Reference(s): SMC 6.310.140, SMC 6.310.320.K, SMC 6.310.320.U, SMC 6.310.460.B, and SMC 7.04	
Approved: _____ Division Director _____ Business Unit Officer _____ Calvin W. Goings, Department Director	 _____ Date _____ Date _____ Date	

King County / Department of Executive Services

Document Code No.: LIC-8-4-PR

Repeals: New

Title: Taximeters

Effective Date: X X, 2021

Authorities: King County Code 6.64.021, .400, and .670.B

Keywords:

Sponsoring Agency: Records and Licensing Services Division (RALS)

Department Director signature: _____

Date signed: _____

City of Seattle and King County For-Hire Transportation Rules

City of Seattle Director's Rule FOR-HIRE TRANSPORTATION 04-2021 and King County Public Rule LIC-8-4-PR Taximeters

Pursuant to an interlocal agreement, the City of Seattle and King County work cooperatively to regulate for-hire passenger transportation. The following Rule supersedes City of Seattle Clerk File 321468. King County adopts this Rule as new.

- I. **Purpose.** This Rule provides guidance for the testing and approval of taximeters, including smart taximeters, and an application dispatch system (ADS) when it is part of a smart taximeter system. A taximeter shall meter a trip using either an on-board diagnostic (OBD) connection or a global positioning system (GPS) connection or some combination of the two.

City of Seattle and King County rules on an ADS shall complement this Rule.

- II. **Definitions.** The following terms have the following meanings when used in this Rule:
- A. "Application Dispatch System" means the same as defined in SMC 6.310.110 and KCC 6.64.010.B.
 - B. "Director" means for King County, the manager of King County's Records and Licensing Services Division or designee, and means for the City of Seattle, the Director of Finance and Administrative Services or designee.
 - C. "Taximeter" means any instrument or device by which the charge for hire of a passenger carrying vehicle is measured or calculated either for the distance traveled by such vehicle or for waiting time, or for both, and upon which such calculated charges shall be indicated by means of figures.
 - D. "Smart Taximeter" means an integrated system of hardware and software in a taxicab which meters a trip using either an OBD or GPS connection or some combination of the two, has an integrated payment and receipting system that accepts credit cards and other electronic payments for example, electronic taxi scrip and alternative payment channels, and performs or enables functions including, but not limited to:
 - 1. Vehicle dispatching;
 - 2. Dynamic pricing;
 - 3. Driver authentication and system security;
 - 4. Automated data collection and reporting;
 - 5. Geographic location information; and
 - 6. An open application programming interface that enables industry collaboration, e-hails, and integration with transportation route planning systems and mobility aggregator services.
 - E. "Smart Taximeter System" means the system a taxi association uses to dispatch trips to, communicate with, and track the location of affiliated vehicles and drivers through the smart taximeter. A smart taximeter system may include an ADS.

- III. **Requirements.** This section applies to all taximeters, including smart taximeters. In addition to the testing and approval process, all references to taximeters in Seattle Municipal Code (SMC) Chapter 6.310 and King County Code (KCC) Chapter 6.64 shall apply with equal force regardless of taximeter type, including but not limited to those using an OBD connection or a GPS connection.

- A. Each taxicab shall pass a taximeter test at least once per year. Additional tests shall be required if the taximeter security seal is broken, the taxicab owner is replacing the vehicle, the taxicab owner is changing the taximeter equipment, or as the Director requires to confirm that the taximeter is functioning properly (e.g., is accurate or can produce an audit trail). The Director reserves the right to change the frequency of testing at any time.

If an alternative process for testing smart taximeters becomes available, then the Director will work with individual taxicab associations to determine the feasibility of applying such testing process to the association's affiliated vehicles.

- B. Taximeter tests for OBD connections shall be performed following procedures contained in the most recent version of Handbook 44 Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices, as amended, published by the National Institute for Standards and Technology (NIST).

Taximeter tests for GPS connections and OBD/GPS combination connections shall be performed based on a checklist developed by the Director. The checklist shall cover taximeter drop, mileage, wait time, additional charges, rate variations when using an ADS, displays, receipt issuance and audit trail/event logger and any other factors the Director deems necessary to determine the taximeter's accuracy.

All taximeters, regardless of type, placed in service after the effective date of this Rule must have a Certificate of Conformance issued by the National Conference on Weights and Measures (NCWM) proving compliance with the National Type Evaluation Program (NTEP) or have been approved by the Director before January 1, 2021. All taximeters must have a Certificate of Conformance issued by the NCWM no later than January 1, 2025.

- C. No taximeter test shall be performed on a vehicle during a change of vehicle until the vehicle has passed its annual safety inspection as required by SMC and KCC.
- D. All taximeter tests shall be scheduled by appointment only. If the taxicab is late for an appointment scheduled by the Director, the appointment shall be cancelled, and a \$50 monetary penalty shall be assessed against the vehicle owner.
- E. The Director shall consider a taximeter, regardless of type, to not be functioning properly unless it (1) has receipt paper and automatically prints a receipt or (2) automatically sends a receipt via email or text message at the end of each trip.

Any receipt, regardless of its medium or delivery method, must include taxicab name and number, date, start and end time of trip, distance traveled, fare, additional charges (e.g., additional passenger charge, tolls or fuel surcharge), total fare, and taxicab passenger hotline telephone number (206) 296-TAXI.

- F. A taximeter with an OBD connection shall be modified to meet the following requirements:
1. Automatically print a receipt or automatically send a receipt via email or text message at the end of each trip;

2. Have statistical functions protected by a password issued by the Director to each taximeter technician; and
 3. Print or send receipts displaying the hotline telephone number (206) 296-TAXI where taxicab passengers can provide feedback on their experience.
- G. A taximeter with a GPS connection or with an OBD/GPS combination connection shall be modified to meet the following requirements:
1. Be disabled when there is no receipt paper and the system has lost the capability to issue an electronic receipt via email or text message;
 2. Automatically print or electronically transmit a receipt at the end of each trip;
 3. Have security features to protect trip and customer payment data;
 4. Activate the top light when in use as follows: the top light turns on when the taximeter is on but not operating on a trip, top light turns off when a trip is initiated, and top light turns on when the taximeter is cleared at the end of a trip; and
 5. Print or electronically transmit receipts displaying the hotline telephone number (206) 296-TAXI where taxicab passengers can provide feedback on their experience.
- H. Any taxi association using the ADS function of a smart taximeter system may vary its fares from the taximeter rates established in SMC 6.310.530.A.2 and KCC 6.64.760.A.4 Before doing so, however, the taxi association must demonstrate to the Director, consistent with applicable City of Seattle and King County rules, how the fare presented on the application dispatch system is transparent to the passenger before the passenger confirms the trip. Using an ADS to vary fares may only be done at the taxi association level.
- I. Any taxi association seeking approval from the Director to change its taximeter system to either add to or replace existing technology must submit an outreach and implementation plan to the Director. The plan shall address how the taxi association intends to communicate the taximeter change to its affiliated owners and drivers and to minimize technical issues during the new system's initial phase.
- IV. Implementation.** These requirements take effect thirty (30) days after the Director files this Rule with the Seattle City Clerk and with the King County Archives, Records Management, and Mail Services Section (ARMMS).
- V. Rule Maintenance.** The Director will periodically consult with industry stakeholders, including vehicle owners and drivers and taxicab association representatives, on taximeter testing and the prevalence of using a smart taximeter system's ADS to vary fares other than the taximeter rates established by SMC or KCC. From this consultation, the Director will determine the necessity of any changes to this Rule.
- VI. Rule Enforcement.** The Director will follow the process outlined herein, as well as the process outlined in a separate rule on an ADS, to verify the compliance of taximeters and smart taximeter systems. The Director will investigate any passenger complaints on lack of price transparency or other issues concerning taximeter or smart taximeter operation.

The Director will communicate with the state of Washington to determine an appropriate device registration fee for a smart taximeter as a successor to the current fee for a taximeter.



Seattle



King County

Department: City of Seattle Department of Finance and Administrative Services	Rule No: FOR-HIRE TRANSPORTATION 05-2021	Supersedes: Clerk File 314112
	Publication: 8/20/2021	Effective: X/X/2021
Subject: Application Dispatch Systems	Code and Section Reference(s): SMC 6.310.140 and 6.310.270.F, N, and O and 6.310.530.A.3, B.1, and C.1	
Approved: _____ Division Director _____ Business Unit Officer _____ Calvin W. Goings, Department Director	 _____ Date _____ Date _____ Date	

King County / Department of Executive Services

Document Code No.: LIC-8-5-PR

Repeals: New

Title: Application Dispatch Systems

Effective Date: X X, 2021

Authorities: KCC 6.64.021, KCC 6.64.151.B, KCC 6.64.231.B, and KCC 6.64.760.C

Keywords:

Sponsoring Agency: Records and Licensing Services Division (RALS)

Department Director signature: _____

Date signed: _____

City of Seattle and King County For-Hire Transportation Rules

City of Seattle Director's Rule FOR-HIRE TRANSPORTATION 05-2021 and King County Public Rule LIC-8-5-PR – Application Dispatch Systems

Pursuant to an interlocal agreement, the City of Seattle and King County work cooperatively to regulate for-hire passenger transportation. The following Rule supersedes City of Seattle Clerk File 314112. King County adopts this Rule as new.

- I. **Purpose.** The City and the County have established requirements for the use of an application dispatch system (ADS), and the requirements in this Rule shall pertain to all ADS, including an ADS within a smart taximeter system, unless otherwise specified.
- II. **Definitions.** The following term has the following meaning when used in this Rule:
 - A. "Application Dispatch System" means the same as defined in SMC 6.310.110 and KCC 6.64.010.B.
 - B. "Director" means the director of King County's Department of Executive Services and/or the City of Seattle's Director of Finance and Administrative Services, or their designees.
- III. **Requirements.**
 - A. **Information presented to a passenger (only applicable to an ADS used by a transportation network company (TNC)).** The ADS shall make the following information available to the passenger:
 1. A picture of the confirmed driver and license plate number of confirmed vehicle viewable before initiation of trip;
 2. Notice of the TNC's zero-tolerance or other drug and alcohol policy;
 - i. Information on methods to report a driver suspected of being in violation of the policy;
 - ii. The company's phone number or link to the number, website link, and email to report a complaint; and
 - iii. The City of Seattle and/or King County phone number, website link, and email address to report a complaint.
 3. An option to allow passengers to indicate whether they require a wheelchair accessible vehicle; and
 4. Connection of the customer to a wheelchair accessible vehicle via a weblink, application, or phone number.
 - B. **Written documentation (applicable to all ADS).** Written documentation shall include the name of the ADS, all mobile operating systems supporting the ADS, the minimum version number of the supported mobile operating systems, and the version number of the ADS.

Documentation of rate transparency shall include narrative descriptions and screen shots of the complete process of requesting and confirming a ride including screen shots of all variables affecting the rate structure. Transparency of the rate structure, variables affecting the rate structure, and operating responsibilities shall be clearly demonstrated. If the ADS is available on more than one operating system, separate written documentation shall be required for each operating system.

- C. **Physical demonstration (applicable to all ADS).** A physical demonstration of the ADS shall be used to evaluate rate transparency. Compliance shall be assessed based on the transparency of rate structure, disclosure of variables affecting the rate structure, and compliance with the operating responsibilities of SMC 6.310 and KCC 6.64. Demonstration should be available for all mobile operating systems supporting the ADS. The demonstration shall include the opportunity for the Director to perform the process of requesting through confirming a ride in real-time with no monetary charge to the City of Seattle or King County.
- D. **ADS inspections (applicable to all ADS).** The Director reserves the right to inspect the ADS across all mobile operating systems upon which the ADS is supported to ensure compliance.
- E. **Frequency of certification (applicable to all ADS).** All ADS shall be initially approved with written documentation and physical demonstration. Annually, upon renewal of the license, written documentation must be provided for the current version of the ADS across all mobile operating systems if that version is a different version number than the previously approved ADS. The Director may request a physical demonstration upon renewal for any reason.
- F. **Transparency of rate structure (applicable to all ADS).** As detailed in SMC 6.310.530.A.3.a, 6.310.530.B.1, and 6.310.530.C.1 and KCC 6.64.151.B, KCC 6.64.231.B, and KCC 6.64.760.C, one of the following must be clearly disclosed:
1. total fare or fare range upon requesting a ride, but before confirming a ride;
 2. rate by distance, and/or time upon requesting a ride but before confirming a ride; or
 3. the cost of the ride must be clearly displayed before confirming the ride.
- Any variables that may result in additional or higher charges shall be clearly articulated on the ADS before confirming a ride.
- G. **Variables affecting rate structure (applicable to all ADS types).** Any variable that may result in additional or higher charges shall be clearly articulated on the application before confirming the ride. Examples of variables include, but are not limited to:
1. Tips;
 2. Waiting time;
 3. Demand pricing;
 4. Taxes;
 5. Fees;
 6. Donations; and
 7. Surcharges.
- H. **Confirmation of the ride (applicable to all ADS).** A ride is considered confirmed when a driver has been assigned to pick up the passenger.
- I. **Compatibility (applicable to all ADS).** The City of Seattle and King County require compliance with rate transparency and operating responsibility requirements at all times per the ADS written documentation. These requirements do not apply to unsupported mobile operating systems or to mobile operating system versions that are no longer supported by the current version of the ADS.

- J. **Use of an unapproved ADS (applicable to all ADS).** If the Director determines that an ADS does not comply with SMC 6.310 and/or KCC 6.64, the company using the ADS may be sent a warning at its address of record. The Director shall require the company to perform a physical demonstration of the ADS to ensure compliance prior to license renewal. A license shall not be renewed if the ADS is not approved as compliant with SMC and KCC.
- IV. **Implementation.** These requirements take effect thirty (30) days after the Director files this Rule with the Seattle City Clerk and with the King County Archives, Records Management, and Mail Services Section (ARMMS).
- V. **Rule Maintenance.** The Director shall consider the quality of companies' written documentation and physical demonstrations during the licensing process, relevant passenger complaints received, and relevant enforcement actions taken, among other factors, to determine whether this Rule needs revision.
- VI. **Rule Enforcement.** The Director shall review written documentation and consider physical demonstrations provided to ensure compliance with the requirements outlined herein.



Seattle



King County

Department: City of Seattle Department of Finance and Administrative Services	Rule No: FOR-HIRE TRANSPORTATION 06-2021	Supersedes: Clerk File 319803
	Publication: 8/20/2021	Effective: X/X/2021
Subject: Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles	Code and Section Reference(s): SMC 6.310.140 and SMC 6.310.300.C.5 and 6	
Approved: _____ Division Director _____ Business Unit Officer _____ Calvin W. Goings, Department Director	 _____ Date _____ Date _____ Date	

King County / Department of Executive Services

Document Code No.: LIC-8-6-PR

Repeals: New

Title: Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles

Effective Date: X X, 2021

Authorities: KCC 6.64.021 and KCC 6.64.350

Keywords:

Sponsoring Agency: Records and Licensing Services Division (RALS)

Department Director signature: _____

Date signed: _____

City of Seattle and King County For-Hire Transportation Rules

City of Seattle Director's Rule FOR-HIRE TRANSPORTATION 06-2021 and King County Public Rule LIC-8-6-PR – Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles

Pursuant to an interlocal agreement, the City of Seattle and King County work cooperatively to regulate for-hire passenger transportation. The following Rule supersedes City of Seattle Clerk File 319803. King County adopts this Rule as new.

- I. **Purpose.** The City and the County have established insurance requirements for taxicabs and for-hire vehicles. As permitted by SMC 6.310.300.C.5.a and KCC 6.64.350.A.1, this Rule amends those requirements because taxicabs and for-hire vehicles lack viable insurance options. The requirements of this Rule are temporary and will be reassessed as insurance conditions change. This Rule does not change the insurance requirements for transportation network company vehicles.

Two primary insurance companies currently serve taxicabs and for-hire vehicles operating in the Seattle area and the City and County estimate the average cost of coverage at \$500 per month. Typically, insurance represents one of the most expensive operating costs incurred by taxicab and for-hire vehicle owners. As taxicabs and for-hire vehicles resume operations following the coronavirus pandemic, the City and County intend to adjust the requirements to increase opportunities for insurance coverage.

- II. **Definitions.** The following term has the following meaning when used in this Rule:
- A. "Director" means the director of King County's Department of Executive Services and/or the City of Seattle's Director of Finance and Administrative Services, or their designees.
- III. **Requirements.** The insurance policy requirements in King County Code (KCC) 6.64.350.A.1, .2, and .4, and in Seattle Municipal Code (SMC) 6.310.300.C.5.a, .c, and .d are listed below notating whether they are temporarily amended or remain unchanged:

King County Code 6.64.350.A	Seattle Municipal Code 6.310.300.C	Temporary Changes to Insurance Requirements Enacted by this Rule
(2) The policy shall be issued by an admitted carrier in the state of Washington, with an A.M. Best Rating of not less than B VII.	(5.a) Be issued by an admitted carrier in the State of Washington with an A.M. Best's Rating of not less than B and be not less than A.M. Best's Financial Size Category VII.	Changes A.M. Best Rating for an admitted carrier in the state of Washington from B to B- (A.M. Best Financial Size Category VII) and allows for surplus lines from an insurer with an A.M. Best Rating of not less than B (A.M. Best Financial Size Category VII).
(3) King County, its officers, officials, agents and employees shall be named as an additional insured on the insurance policy.	(5.b) Name The City of Seattle as an additional insured.	None

King County Code 6.64.350.A	Seattle Municipal Code 6.310.300.C	Temporary Changes to Insurance Requirements Enacted by this Rule
(1) The policy shall also provide that the insurer notify the Director of any cancellation in writing at least thirty days before cancellation of the policy.	(5.c) Provide that the insurer will notify the Director, in writing, of any cancellation at least 30 days before that cancellation takes effect.	Changes the cancellation notification period from no less than thirty (30) days for any reason to no less than ten (10) days for nonpayment and to no less than thirty (30) days for any other reason. If an insurance policy is cancelled, proof of a new policy must be filed before the cancellation or the taxicab or for-hire vehicle medallion is automatically suspended until coverage is secured.
(4) The policy shall not include aggregate limits or named driver requirements or exclusions. Other limitations or restrictions beyond standard business insurance services office business auto policy form are subject to approval by the director.	(5.d) Not include aggregate limits, or named driver requirements or exclusions. Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.	Removes the prohibition on named driver exclusions. Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.
(5) All applicants shall maintain a policy of underinsured motorist coverage which runs to the benefit of passengers. The policy declarations or a certificate of insurance shall indicate a minimum coverage of one hundred thousand dollars per person and three hundred thousand dollars per accident.	(6) Include a certificate of underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident.	None

IV. Implementation. These requirements take effect thirty (30) days after the Director files this Rule with the Seattle City Clerk and with the King County Archives, Records Management, and Mail Services Section (ARMMS).

V. Rule Maintenance. The Director will periodically consult with industry stakeholders, including vehicle owners and insurance company representatives, on the availability and cost of insurance coverage to determine whether this Rule needs revision.

- VI. Rule Enforcement.** The Director will review insurance documentation submitted by vehicle owners to ensure compliance with the requirements outlined herein.

DRAFT