# **2023** King County - City of Seattle For-Hire Transportation **Annual Report**

April 2024





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# I. Executive Summary

This 2023 For-Hire Transportation Annual Report provides information on the number of licensed and permitted for-hire drivers; the number of taxicabs, for-hire vehicles, and transportation network company (TNC) vehicles; taxicab response times; and other information related to the King County for-hire transportation industry between January 1, 2023 and December 31, 2023. It is submitted in accordance with King County Code (KCC) 6.64.740<sup>1</sup> and King County Ordinance 19700<sup>2</sup> (adopted December 6, 2023) and Seattle Municipal Code (SMC) 6.310.520<sup>3</sup> and SMC Ordinance 126977<sup>4</sup> (adopted December 28, 2023),

King County's Records and Licensing Services Division (RALS) partners with the City of Seattle's Consumer Protection Division (CPD) to ensure comprehensive oversight of the for-hire transportation sector, encompassing licensing, code enforcement, and regulatory measures. Their joint mission is to safeguard the well-being of passengers, drivers, and the general public. RALS oversees the for-hire transportation industry in unincorporated areas of King County and extends its regulatory services through interlocal agreements to 16 municipalities, and the Port of Seattle (specifically, Seattle-Tacoma International Airport). CPD regulates the for-hire transportation industry within Seattle city limits.

Since 2019, the County's for-hire transportation annual reports noted that the County and the City of Seattle (Seattle) have engaged in efforts to align and streamline for-hire transportation regulations. The County and Seattle collaborated to draft regulations. In December 2023, each jurisdiction adopted legislation to modernize licensing and operating requirements, remove unnecessary regulatory barriers, create a more regional system, provide entrepreneurial flexibility, and begin the transition to new technology enabling greater participation in the digital mobility marketplace. In accordance with the adopted legislation, this report is now a joint County-Seattle for-hire transportation annual report.

The information in this report depicts a taxicab and for-hire vehicle industry continuing to struggle with challenges following the pandemic and from competition from other for-hire transportation providers. The COVID-19 pandemic significantly affected the for-hire industry in 2020 and 2021. Ridership dropped severely and hundreds of licensees stopped operating temporarily or permanently closed their businesses. Modest recovery of drivers returning to service occurred in 2022 and 2023. The updated regulatory requirements are expected to encourage owners with inactive medallions to return to operation.

Due to mandatory telework orders starting in March 2020, King County's for-hire driver licensing office was closed to in-person customer service until reopening in April 2023 following a relocation to King Street Center. CPD's public counter reopened August 2021. Accela, a licensing and permitting platform used jointly by the County and Seattle, was first deployed in 2019 for medallion processes and, starting in 2021, was available to accept and process online for-hire driver license applications. Beginning in December 2022, Accela was used to facilitate processing for-hire driver permit applications and TNC vehicle endorsements, making 2023 the first full year for processing applications in the new system.

<sup>&</sup>lt;sup>1</sup> KCC 6.64.740

<sup>&</sup>lt;sup>2</sup> Ordinance 19700

<sup>&</sup>lt;sup>3</sup> SMC 6.310.520

<sup>&</sup>lt;sup>4</sup> SMC Ordinance 126977

King County RALS received 971 for-hire driver license applications and issued 885 for-hire driver licenses in 2023. In 2023, 373 taxicabs (metered fares) and 154 for-hire vehicles (flat-rate fares) were licensed to operate in unincorporated King County and contract cities, with an additional 122 taxicabs licensed to operate only in Seattle. Also in 2023, RALS received 129,373 applications for TNC for-hire driver permits and vehicle endorsements (this number includes new and renewing applicants, duplicates, resubmittals, and vehicle updates; 25,031 of them were unique applicants). Of the 129,373 total applications received, RALS approved 21,011 drivers for a TNC for-hire driver permit, which is the second year in a row of increased applications and approvals following the start of the COVID-19 pandemic in 2020.

# II. Background

**Department Overviews:** The Department of Executive Services (DES) includes the Records and Licensing Services Division (RALS). Among its duties, RALS strives to provide customer-focused, accessible vehicle, vessel, and for-hire transportation licensing services. CPD is a division within the City of Seattle's Department of Finance and Administrative Services (FAS). CPD administers the for-hire regulatory program, which covers taxicabs, flat-rate for-hire vehicles, and transportation network company vehicles, and represents CPD's largest regulatory program in terms of licensee count. Central elements of the program include developing policy, processing medallion transactions, maintaining the network of mechanics approved to inspect vehicles, conducting on-street enforcement, and hosting the technology system of record for licensed drivers, medallions, and vehicles.

RALS regulates the operation of taxicabs, flat-rate for-hire vehicles, and transportation network company vehicles in unincorporated King County and 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 these regulatory services.

Figure 1 – Jurisdiction & Type of Agreement

City	Type of Agreement			
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			

City	Type of Agreement		
Seattle	Licensing of City For-Hire Drivers and Enforcement of City Code		
Shoreline Licensing and Enforcement of City Code			

**Historical Context:** 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 County Code 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.

In 1995, the County entered an interlocal agreement with Seattle, whereby the County manages all forhire driver licensing functions for both jurisdictions, and Seattle manages all for-hire vehicle licensing functions for both jurisdictions. The County also manages the for-hire driver permitting and vehicle endorsement functions for both jurisdictions.

Ordinance 17892, approved in September 2014, authorized significant for-hire transportation-related regulatory changes.<sup>5</sup> The Ordinance added regulations for TNCs and modified KCC Chapter 6.64 to streamline and update regulatory requirements across the for-hire transportation industry.

A history of taxicab and for-hire licensing in the County is provided on the County's website.<sup>6</sup>

#### **Current Context - 2023 in Review**

**In-Person Licensing Services at the King County Customer Service Center:** On April 20, 2023, the public service counter resumed in-person customer service at a new location in King Street Center in Seattle's Pioneer Square neighborhood. The previous licensing office closed to in-person services in March 2020 due to the COVID 19 pandemic. In-person services for license applicants and approved permit applicants, who are required to pick up their permits and vehicle endorsements, resumed following nearly three years of issuing licenses and permits remotely while in-person services were suspended.

**Fuel Surcharge:** For the second consecutive year, in response to steep increases in the price of fuel, the County and Seattle implemented respective rules (King County Public Rule LIC-8-7-PR<sup>7</sup>/City of Seattle Director's Rule R-6.310.530.18) which allow a \$1.00 per trip surcharge at regular intervals when gas prices exceed \$5.00 per gallon. On July 4, 2023, fuel prices increased above the \$5.00 threshold and

<sup>&</sup>lt;sup>5</sup> Link to Ordinance 17892

<sup>6</sup> Link to the County's Taxi, For-Hire and Transportation Network Companies (TNCs) website

<sup>7</sup> Link to King County Public Rule LIC-8-7-PR

<sup>&</sup>lt;sup>8</sup> Link to City of Seattle Director's Rule R-6.310.5301

remained above \$5.00 per gallon until late October when prices decreased below the threshold.

**Anti-Human Trafficking Training:** The County contracted for production of a human trafficking awareness training video anticipated to be completed in late 2024. Focus groups with for-hire drivers and trafficking survivors were held to help inform the training, which will feature interviews, stories, and a test component to inform drivers of trafficking indicators, prevention, and supportive services.

**Medallion Exchange:** Selling or leasing a taxicab or flat-rate for-hire medallion in the County and Seattle has been difficult because there has been no clear way for interested parties to find each other. The County launched a new website in December aiming to bring transparency to the medallion marketplace by providing a place where medallion owners can list their medallions for sale or lease with the goal of leading to more active medallions in service.

**Updated Regulations**: Following extensive meetings with industry representatives to discuss the proposed for-hire transportation ordinances, the County and Seattle adopted legislation in late December 2023 bringing major change to the for-hire industry. The legislation was intended to simplify and align licensing models, remove barriers that limit competition, support transitioning to new technology that enables greater fare flexibility and pave the way for future integration with local trip planning tools, and improve customer service. County and Seattle legislation included:

- King County Ordinance 19692<sup>9</sup>: This ordinance authorized the King County Executive to execute interlocal agreements with public agencies to regulate for-hire transportation effectively renewing existing interlocal agreements pursuant to the newly adopted ordinances.
- King County Ordinance 19693/Seattle Ordinance 126978<sup>10</sup>: These Ordinances authorized an updated interlocal agreement between the County and Seattle for the regulation of for-hire transportation. The agreement now incorporates a new chapter 6.65 in the King County Code and chapter 6.311 in Seattle Municipal Code.
- King County Ordinance 19699/Seattle Ordinance 126976<sup>11</sup>: These Ordinances separated taxicab
  and for-hire vehicle code requirements from TNC code requirements, and made other changes
  intended to improve alignment with State law for TNC drivers and vehicles.
- King County Ordinance 19700/Seattle Ordinance 126977<sup>12</sup>: These Ordinances created new chapters in County and Seattle codes to regulate taxicabs and flat-rate for-hire vehicles.

A summary of major legislative changes:

## For-Hire Drivers

- Reduced minimum driver age to apply for a for-hire driver license from 21 to 20 years old.
- Established a regional for-hire driver license (City only, County only, and City/County dual license designations are no longer in use).
- Established an enhanced regional for-hire driver's license as a new, optional license type that requires an annual fingerprint-based criminal background check, in addition to the third-party based criminal background check and driving history report required for all license types.

<sup>&</sup>lt;sup>9</sup> Link to Ordinance 19692

<sup>10</sup> Links to County Ordinance 19693 and Seattle Ordinance 126978

<sup>&</sup>lt;sup>11</sup> Links to County Ordinance 19699 and Seattle Ordinance 126976

<sup>&</sup>lt;sup>12</sup> Links to County Ordinance 19700 and Seattle Ordinance 126977

• TNC driver permits will no longer allow a driver to operate a taxicab or for-hire vehicle once the existing TNC permit expires.

## Medallions

- Medallion renewal dates will be based on a rolling 12-month period from the date of issuance rather than a fixed, annual date.
- New reciprocity endorsements allow City-only and County-only medallions to pick up passengers in both jurisdictions.
- "Dual" medallion owners will have the option to split their medallion beginning September 1, 2024, so the City medallion and the County medallion may be used with different vehicles, each with jurisdictional reciprocity endorsements.
- All for-hire vehicle medallions convert to taxicab medallions by March 31, 2026, and must meet all taxicab requirements, including use of a smart taximeter system.
- If a medallion will not operate for 60 or more days, the owner is required to file for a temporary deactivation, which may last for up to one year.
- Medallions relinquished to the County or Seattle between January 31, 2015, and September 1, 2024, will have one year to renew or transfer the medallion before it is permanently retired.

#### General

- SEA Airport minimum fare of \$20 for trips originating from SEA beginning December 18, 2023.
- The maximum vehicle age based on model year was increased to 15 years old (up from 10 years).
- All taxis must operate using a smart taximeter system by March 31, 2026.

## Associations and Companies

- To operate after March 31, 2024, a taxicab association or for-hire vehicle company that was licensed or registered in 2023 must obtain a transitional regional dispatch agency license.
- A transitional regional dispatch agency must adopt a smart taximeter system by March 31, 2026.

# **III. Report Requirements**

## **Taxicab and For-Hire Vehicle Licensing**

Taxicabs offer consumers a for-hire ride with a fare that is metered based on time and distance, while for-hire vehicles offer consumers a for-hire ride based on a flat rate. Taxicabs and for-hire vehicles can be hailed or dispatched. Taxicab and for-hire vehicle licenses converted to medallions in 2015, with the number of available medallions restricted by County and Seattle regulations.

The number of active medallions has been declining over the past several years. In most instances, owners of inactive medallions that have been placed on hold or not renewed cited declining business both prior to and during the COVID-19 pandemic, high operating costs, or avoidance of COVID-19 exposure as reasons for the hold or non-renewal.

To assist medallion owners in reducing expenses while not in service, the County and Seattle created a process for medallion owners to place their medallions on hold and temporarily suspend service during the pandemic. Placing a medallion on hold allowed an owner to reduce their commercial auto insurance expense while not in service. Owners can return to service by providing proof of insurance requesting their medallion to be placed back in active status.

**Taxicab medallions:** KCC caps the number of taxicab medallions allowed in the County at 561 (KCC 6.64.700<sup>13</sup>). In Seattle, the cap is 1,050. The new legislation will change these caps starting in 2024. Medallions licensed to pick up passengers in both the County and Seattle, referred to as "dual" medallions, are included in each of the County's and Seattle's caps. The 50 wheelchair accessible taxicab (WAT) medallions are dual and are excluded from the caps.

Figure 2 shows the sharp decrease in active medallions began prior to the COVID-19 pandemic, though licensing activity in 2022 and 2023 indicate some drivers are returning to service after a low point in 2021. Active taxicab medallions have decreased from a high of 1,108 in 2018 to 495 in 2023, a decline of 613 active taxicabs, or 55 percent fewer active taxicabs than in 2018.

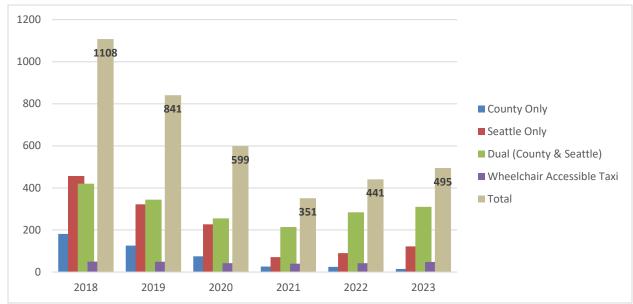


Figure 2 - Number of Active Licensed Taxicabs

**For-hire vehicle medallions:** For-hire vehicle medallions are capped at 471 in the County, comprised of 271 County-only medallions and 200 County and Seattle "dual" medallions. Figure 3 below shows that active for-hire vehicle medallions have decreased from 416 in 2018 to 154 in 2023, a decline of 262 active for-hire vehicles, or 63 percent, since 2018. Nearly all inactive for-hire vehicle medallions were voluntarily surrendered, expired without renewal, or voluntarily placed on hold.

<sup>\*</sup>In addition to the WAT medallions shown in the table, 19 regular taxicab medallions were used to operate voluntarily converted wheelchair accessible taxicabs in 2023.

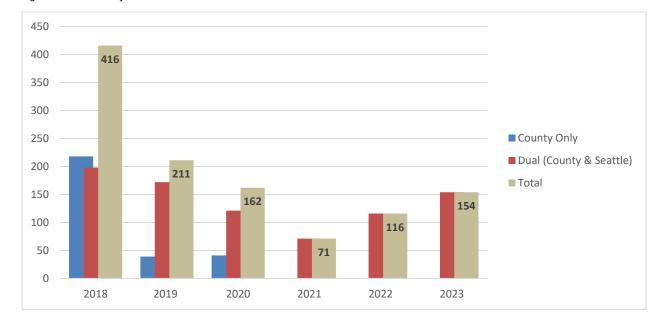


Figure 3 – Number of Active Licensed For-Hire Vehicles

\*In 2023 there were 12 active wheelchair-accessible for-hire vehicles licensed to operate, which are all voluntarily modified to accommodate wheelchairs. These vehicles operate under regular for-hire vehicle medallions.

## **Transportation Network Companies and Vehicles**

In the Seattle-King County market, 2023 was the ninth full year of transportation network companies (TNCs) being licensed to operate. Effective with the implementation of Ordinance 17892 in 2014, personal vehicles used to provide ride services via a smartphone application (app) are required to have a vehicle endorsement. Vehicle endorsement applications are incorporated into the for-hire driver permit application that TNC drivers are required to obtain. Among other requirements associated with TNC vehicles, all vehicles must successfully complete an annual safety inspection performed by a director-approved mechanic.

In 2019, Ordinance 18874<sup>14</sup> removed the requirement for TNC drivers to be the registered owner of the endorsed vehicle they drive. It also 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. Figure 4 shows the number of TNC vehicle endorsements approved annually.

<sup>&</sup>lt;sup>14</sup> Link to Ordinance 18874

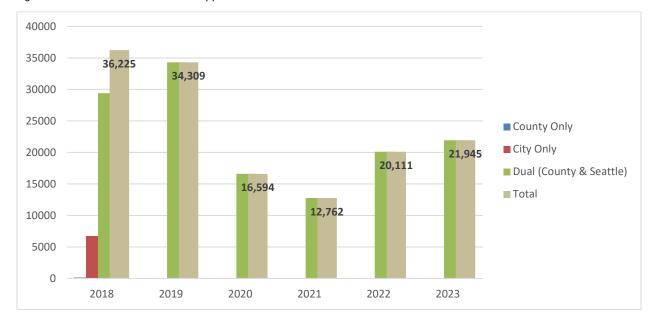


Figure 4 - TNC Vehicle Endorsements Approved\*

# **For-Hire Driver Licensing**

Every driver operating a taxicab or for-hire vehicle within the County must have a for-hire driver license. In 2023, RALS issued 885 (new or renewed) for-hire driver licenses. Figure 5 below shows the for-hire driver licenses issued.

<sup>\*</sup>Excludes vehicles with jurisdiction changes throughout the year

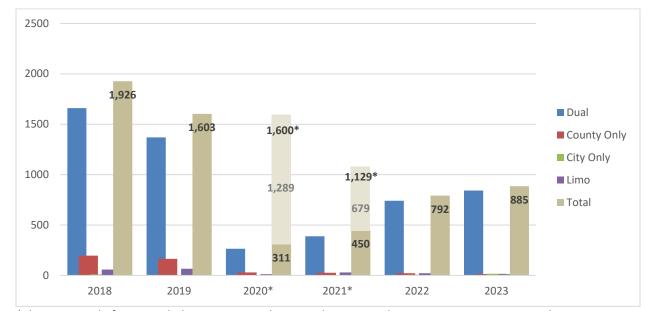


Figure 5 - For-Hire Driver Licenses Issued

\*The 2020 total of 1,600 includes 311 pre-pandemic applications and 1,289 extensions RALS issued as a temporary measure during the pandemic. The 2021 total of 1,129 includes 679 extensions issued prior to launching the new online licensing platform, Accela, in May 2021 and the 450 applications issued through Accela after its launch.

To ensure public and passenger safety, applicants must complete several screening requirements to obtain a for-hire driver license. All new and renewing applicants must pass a criminal background check and driving record review. Additionally, all new applicants are required to complete for-hire driver training, pass the examination, and successfully complete a defensive driving course. In 2023, 801 for-hire driver examinations administered with an overall pass rate of 69 percent.

## **For-Hire Driver Permits**

Drivers operating a vehicle for a TNC are required to obtain a for-hire driver permit and a vehicle endorsement. The for-hire driver permit is essentially the same as the for-hire driver license that taxi and for-hire vehicle drivers must obtain, but also allows the driver to drive a TNC-endorsed vehicle.

TNCs submit applications for 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-Seattle 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.

Following two years of decreases, the number of permitted drivers increased in 2022 and 2023, though not to pre-pandemic levels (33,058 permitted drivers in 2019). In 2023, a total of 129,373 TNC for-hire driver permit applications (25,031 applicants) were received and 21,011 unique TNC permits approved.

The difference between "received" and "approved" applications is due to a variety of factors, including, but not limited to, more than one application is received for a driver, since drivers often drive for more than one TNC; adding or replacing a vehicle; rejected applications that must be resubmitted (if information is missing, out of date, or does not match), or applications received at the end of the year

may not be processed until early the following year. Figure 6 shows the total number of for-hire driver permit applications received and unique approved.

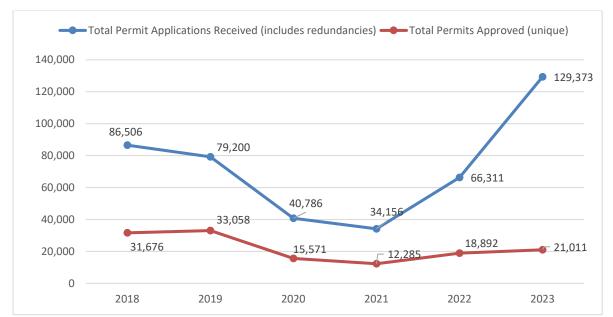


Figure 6 – Total Count of TNC For-Hire Driver Permits

# **Response Times**

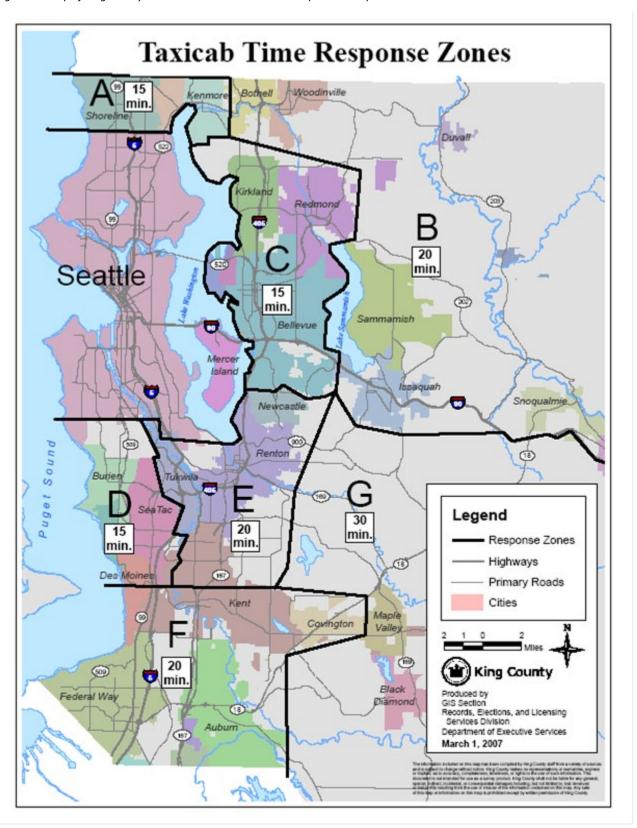
KCC 6.64.730<sup>15</sup> requires RALS to establish and regulate a schedule of optimum response times for taxi service requests. Response times are calculated as the time elapsed from when the trip is created in the dispatch system to the time the meter is engaged. The meter is engaged after the customer 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 8.

Fig 7 Vins		T	C	A I	7*
Figure 7 – Kind	County	TUXICUD	service	Areu L	y zone ·

Zone	Service Area	Description			
Α	North City	Shoreline, Lake Forest Park, Kenmore, North County			
В	Northeast County	Bothell, Woodinville, Fall City, Sammamish, Issaquah			
С	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>\*</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).

Figure 8 – Map of King County Taxicab Service Area Zones and Optimum Response Times



Each year, RALS conducts a survey of taxicab company dispatch records to determine *actual* average response times for service requests, which are then compared to the *optimum* response times (Figure 9). Some zones have occasionally averaged slightly higher than optimum response times in recent years.

In 2023, five of the eight zones had average service response times three to eight minutes longer than the established optimum response times.

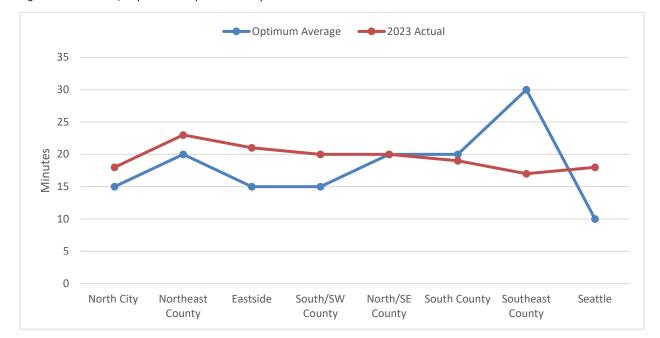


Figure 9 – Minutes +/- Optimum Response Time by Zone

## **Enforcement**

Under an interlocal agreement, the County and Seattle enforce the respective licensing regulations for each other's jurisdiction. Enforcement action occurs if County or Seattle staff observe a violation, following investigation of a complaint from the public, or when a license or permit is denied, suspended, or revoked. County and Seattle enforcement actions under KCC 6.64 and SMC 6.310 applied to TNC, taxi, and for-hire vehicles through 2023. The ordinances establishing new chapters KCC 6.65 and SMC 6.311 align enforcement actions for taxis and for-hire vehicles in both jurisdictions starting in 2024.

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. In March 2020 and through most of 2022, all field enforcement activities were suspended due to conditions created by the COVID-19 pandemic. Field enforcement activities resumed in late 2022 and continued to increase in 2023. Figure 10 lists the type of enforcement actions and the number of actions taken since 2019.

Figure 10 – License and Permit Enforcement Actions

Enforcement Action Result	2019	2020	2021	2022	2023
Application Denial (County)	14	2	3	6	13
Suspension/Revocation (County & Seattle)	64	9	1	0	1
Civil Penalty (County & Seattle)	16	5	1	0	6
Notice of Violation w/Civil Penalty (County)	192	21	0	12	62
Notice of Violation (Seattle)	21	0	0	0	3
Notice to Comply/Verbal Warning (Seattle)	76	103	50	13	36
Total	383	140	55	31	121

# **Passenger Complaints**

The County, Seattle, and the Port of Seattle share a taxi complaint hotline, 206-296-TAXI. Though the hotline is not staffed, callers can leave a message and County or Seattle code enforcement staff will respond. This number is visibly displayed in all County and Seattle licensed 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 that include potential violations occurring within the County's jurisdiction are investigated by the County, and the same applies to complaints received by Seattle. Investigation findings may include the issuance of monetary fines or civil penalties, including temporary license suspension or revocation issued through a notice and order process. Figure 11 provides an overview of the number and nature of complaints received.

Figure 11 – Number and Nature of Complaints

Complaints	2019	2020	2021	2022	2023
Short Haul Refusal (County)	7	0	1	3	2
Wrong Rate/Route (County)	53	12	9	46	79
Driver Conduct (County)	88	20	12	34	42
Vehicle Condition (County)	0	0	0	0	0
Service Response (County)	5	5	2	9	12
County Total	153	37	24	92	140
Seattle Total	284	77	80	151	211
County & Seattle Combined Total	437	114	104	243	351

<sup>\*</sup>This 2023 report is the first joint County/Seattle report and Seattle did not previously track complaints by type.

#### **Rates**

Taxicab meter (taximeter) rates are regulated by County Ordinance 19700 and SMC Ordinance 126977. The initial charge is called the "drop rate," after which 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. Except for a ten cent (\$0.10) meter drop rate increase to incorporate the Wheelchair Accessible Surcharge (WAS) fee required by Ordinance 17892 in November 2014, the taximeter rate has not changed since September 2012.

For-hire companies are required to set their fares and submit them to RALS and CPD annually. For-hire drivers are required to keep a printed rate book to provide to customers upon request.

Fares for trips requested/dispatched via an app or Application Dispatch System (ADS) are set by the company, as long as the estimated fare or rate is available to the passenger before the passenger accepts the ride, whether the trip was provided by a taxicab, for-hire vehicle, or TNC vehicle.

Taxicabs licensed in both the County and Seattle may have two rates, a Seattle rate and a County rate, programmed into the taximeter, though they typically use one, as the County and Seattle rates are the same. The rates are static. Rates in a traditional 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).

Taximeter rate changes by regulatory action are infrequent. When changed by regulatory action, the director must consider operational data, the public's need for adequate taxi service at the lowest cost, the rates of other transportation service providers in the area, rates paid by passengers using other modes of transportation, the owner's and/or driver's need for revenue to cover operating expenses and a reasonable profit, taximeter rates in Seattle, and other allowable factors. Taximeter rates in traditional taximeters do not respond to dynamic 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, or include add-ons other than set increments (\$0.50) to cover ferry fees, road and bridge tolls, etc. In contrast, smart taximeters allow for such dynamic pricing. Smart taximeters function like TNC apps and allow for variable rates, up-front pricing, 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.

## **Taxicab Scrip Vouchers**

King County Metro issues taxicab scrip to County residents who have a regional reduced bus fare permit (seniors and people with disabilities) and are registered for the taxi scrip program (requires income at or below 70 percent of the state median income).

Registrants may purchase up to eight 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, three taxicab companies participate in the taxicab scrip program. Historically, most trips are short and taken in urban areas.

Figure 12 shows the total number of taxicab scrip books issued and the total amount collected in sales by King County Metro Transit.

Figure 12 – Metro Taxicab Scrip – Books Issued and Total Sales

Year	Taxicab Scrip Books Issued	Total Taxicab Scrip Sales
2018	41,012	\$205,060
2019	47,852	\$239,260
2020	29,729	\$148,645
2021	29,068	\$145,340
2022	25,249	\$126,245
2023	21,406	\$107,030

#### Wheelchair Accessible Taxicab Licenses

In 2023, of the 50 dual medallion wheelchair accessible taxicabs (WATs) 46 were active, three were inactive, and one has been revoked since 2018. Regular taxicab and for-hire vehicle medallion holders can also convert their vehicles to wheelchair accessible vehicles and continue to operate under their regular medallion. In 2023, there were 31 active wheelchair accessible vehicles (WAVs) associated with regular (non-WAT) medallions.

All for-hire transportation service providers regulated under KCC chapters 6.64 and 6.65, and SMC chapters 6.310 and 6.311 (taxicabs, for-hire vehicles, and TNC vehicles) are required to collect and remit to the County, ten cents per trip for all rides that originate within unincorporated King County and municipalities that contract with the County for for-hire transportation regulatory services and Seattle. The revenue from the fee is used to reimburse 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 in 2014.

The conditions and procedures for disbursing the wheelchair accessible service (WAS) fee surcharge proceeds to eligible wheelchair accessible taxicab or wheelchair accessible for-hire vehicle owners and drivers are set by public rule FIN-10-3-4-PR. <sup>16</sup> The rule includes reimbursement rates and categories such as shift-based reimbursements for fuel costs and evening services, WAV-related training, and vehicle acquisition and maintenance expenses.

In response to the significant decline in demand for for-hire transportation during the COVID-19 pandemic, King County and Seattle temporarily waived minimum trip requirements for certain reimbursement categories in 2020, and temporarily reduced these requirements in 2021 and 2022. Minimum wheelchair accessible trip requirements were reinstated beginning January 1, 2023 for reimbursement eligibility.

For more information on the reimbursement to owners and drivers of Wheelchair Accessible Taxicabs and wheelchair accessible for-hire vehicles, please see Seattle's Wheelchair Accessible Surcharge Fund

<sup>&</sup>lt;sup>16</sup> Link to FIN-10-3-4-PR

# IV. Statement of Sufficiency

Pursuant to KCC 6.64.740.B.5, this report finds that the number of taxicab and for-hire vehicle medallions in areas served by King County licensed vehicles is sufficient, though the number that are actively operating are insufficient. During 2023, the County and Seattle collaborated to update regulatory requirements to improve alignment between the two jurisdictions, removing unnecessary requirements, providing entrepreneurial flexibility, and enabling participation in the digital mobility marketplace, which is may to encourage owners with inactive medallions to return to operation.

<sup>17</sup> Link to Wheelchair Accessible Surcharge Fund (WASF) annual reports