



## City Council

### Approval of an Ordinance Amending Title 5 of the Olympia Municipal Code by Repealing Chapter 5.11 - Transportation Network Companies

**Agenda Date:** 2/13/2023  
**Agenda Item Number:** 4.F  
**File Number:** 23-0141

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**Type:** ordinance **Version:** 2 **Status:** Passed

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#### **Title**

Approval of an Ordinance Amending Title 5 of the Olympia Municipal Code by Repealing Chapter 5.11 - Transportation Network Companies

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve on second reading an Ordinance Amending Title 5 of the Olympia Municipal Code by Repealing Chapter 5.11 - Transportation Network Companies

#### **Report**

##### **Issue:**

Whether to approve on second reading an Ordinance Amending Title 5 of the Olympia Municipal Code by Repealing Chapter 5.11 - Transportation Network Companies.

##### **Staff Contact:**

Mark Barber, City Attorney, 360.753.8338

##### **Presenter(s):**

None - Consent Calendar Item.

##### **Background and Analysis:**

Background and Analysis did not change from first to second reading.

Olympia Municipal Code (OMC) Chapter 5.11 relating to the regulation of transportation network companies (such as Uber and Lyft) was enacted in 2016.

In 2022, the Legislature enacted ESHB 2076, making Washington the first state to require minimum per-trip payments, paid sick leave, and workers' compensation benefits for rideshare drivers, and

also provides that drivers will remain classified as independent contractors - not employees - and expressly forbids local governments from imposing new regulations on transport network companies.

Except for certain exceptions which relate solely to Seattle and King County, the session law provided that “. . . as of the effective date of this section, the state preempts the field of regulating transportation network companies and drivers. *No county, city, town, or other municipal corporation may regulate transportation network companies or drivers, or impose any tax, fee, or other charge, on a transportation network company or driver.*” [Emphasis added.] However, a county, city, town, or other municipal corporation may continue to impose generally applicable business, sales, use, excise, or property taxes.

Since the state has preempted the regulation of transportation network companies and drivers, it is necessary to repeal chapter 5.11 OMC relating to the regulation of transportation network companies.

**Climate Analysis:**

This issue has no impact on climate mitigation. Repeal of chapter 5.11 OMC is required by state law due to preemption.

**Equity Analysis:**

This issue has no impact on diversity, equity, and inclusion. Repeal of chapter 5.11 OMC is required by state law due to preemption.

**Neighborhood/Community Interests (if known):**

There are no known community interests related to this item.

**Options:**

1. Approve on second reading the Ordinance Amending Title 5 OMC by repealing Chapter 5.11 - Transportation Network Companies
2. Do not approve the ordinance. This will leave the OMC out of compliance with state law.
3. Take other action.

**Financial Impact:**

Annually the City collects approximately \$2,000 to \$3,000 in transportation network company fees. Any impact due to state preemption will have a negligible impact on City revenues.

**Attachments:**

Ordinance