




City of Seattle
Edward B. Murray, Mayor

Finance and Administrative Services
Fred Podesta, Director

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City of Seattle Taxicab and For-Hire Vehicle Rules

Director's Rule – Taxicab and For-Hire Vehicle Medallion Leases

Taxicab and for-hire vehicle medallion holders may lease medallions pursuant to SMC 6.310.135.H. Taxicab vehicle leases remain governed by SMC 6.310.315 and the associated Director's rule.

The following rule describes the medallion lease process and requirements.

1. **Liability.** The medallion holder remains responsible for complying with all licensee requirements contained in SMC Chapter 6.310, including, but not limited to licensing and insurance. The medallion holder (medallion lessor) is jointly and severally liable for each monetary penalty assessed against the medallion lessee who commits a violation while operating a taxicab or for-hire vehicle with the lessor's medallion. The City is not required to pursue collection of the penalty from the medallion lessee as a prerequisite to pursuing collection of the penalty from the medallion holder.

When a medallion lessee leases a vehicle to a for-hire driver, the medallion lessor and medallion lessee/vehicle lessor are jointly and severally liable for each monetary penalty assessed against the vehicle lessee who commits a violation while operating a taxicab or for-hire vehicle with the lessor's medallion. The City is not required to pursue collection of the penalty from the vehicle lessee or medallion lessee as a prerequisite to pursuing collection of the penalty from the medallion holder.

2. **Written Medallion Lease Agreement and "Medallion Lease Summary Sheet".** The medallion holder (lessor) and medallion lessee must sign a written agreement and each shall retain a copy. Medallion lessors must file with the Director 1) a "Medallion Lease Summary Sheet," 2) all application documents required by SMC 6.310.300 and 3) a copy of the written agreement. The "Medallion Lease Summary Sheet" will not be accepted if there are missing documents. The lessee's vehicle may not be placed into service until all of these documents have been reviewed, and found to be complete and compliant, by the Consumer Protection Unit (CPU). The lessor must provide a signed copy of the "Medallion Lease Summary Sheet" form to the lessee after filing it with CPU.

All medallion lease agreements must be in writing and include, at a minimum, the following information:

(a) **Lessor and lessee names and signatures.** Lessor and lessee full names must be shown. Lessor and lessee signatures must be properly notarized. The lessor must be the taxicab or for-hire vehicle medallion holder. The lessee must hold a valid for-hire driver license or be a licensed taxi association. If a for-hire driver, the lessee's for-hire driver license number and license expiration date must be listed. If a taxi association, the legal business name and customer number must be recorded.

(b) **Lease period.** The lease period shall not be less than three months in duration. The lease period start and end dates/times shall be specified.

(c) **Lease Payment Period.** The lease payment period shall be specified as weekly or monthly.

(d) **Lease amount.** Lease rates must be specified for standard lease payment periods of either weekly or monthly. The lessor may not require the lessee to pay the following: (a) annual medallion fees (SMC 6.310.150.A), and (b) monetary penalties for licensee violations of SMC 6.310.

(e) **Written Receipts.** Receipts shall be provided for all lease payments. The receipt shall include, the date, lessor name, lessee name, vehicle name and number, lease payment period and amount paid.

(f) **Other Terms and Conditions.** The conditions under which a lease is terminated shall be clearly listed in the lease. The vehicle name and number, vehicle model year, make and model, and fuel (e.g., gasoline, hybrid, compressed natural gas (CNG), biodiesel) shall be specified on the "Medallion Lease Summary Sheet." The lessor shall certify that the information on the "Medallion Lease Summary Sheet" form accurately reflects the terms and conditions of the full lease agreement and that the lease is in full compliance with this rule.

3. Multiple Leases. A lessor may only lease the medallion to one lessee. Multiple medallion leases for any Seattle taxicab or for-hire vehicle medallion, including dual-medallions, are strictly prohibited. This provision does not preclude a single lessee from having more than one medallion lease for unique medallions.

4. Lease of Vehicle Shifts. The lessee of a taxicab or for-hire vehicle medallion lease (medallion lessee) may engage in vehicle leases. The medallion lessee must comply with all of the lessor requirements contained in SMC 6.310.315 and the associated Director's rule.

5. Termination of Medallion Leases. A lessor may only terminate a medallion lease for the reasons specified in the written lease agreement. A medallion lease shall not be terminated for any other reason without written concurrence of both the lessor and the lessee. Any such termination of a lease agreement shall be in writing and signed, and all signatures shall be notarized.

6. Audit. The City of Seattle may periodically audit lease agreements and receipts to ensure compliance with this rule. Both lessors and lessees are required to comply with City lease audit requests.

7. Penalties. All violations of the requirements of this medallion lease rule are Class C violations charged against the lessor. Lessors found to have committed a violation shall be subject to a 14-day medallion suspension for the first offense, a 60-day medallion suspension for the second offense, and thereafter, shall be subject to revocation of the

medallion if found to have committed a third offense. The penalties imposed by this section shall apply regardless of the time period in which cumulative violations occur.