



City of Seattle

Edward B. Murray, Mayor

Finance and Administrative Services

Fred Podesta, Director

Applicant: City of Seattle Department of Finance and Administrative Services	Page: 1 of 6	Supersedes: CPU-09-2015
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Director's Rule: CPU-09.1-2016 Medallion Lottery Eligibility, Procedures and Awardee Requirements (Revised 10/17/2016)	Code and Section Reference: SMC 6.310.330.L and 6.310.500.D	
	Type of Rule: Code Interpretation	
	Ordinance Authority: SMC 3.02.060	
Approved:  _____ Fred Podesta, Director	_____ 10-14-16 Date	

City of Seattle Taxicab, For-Hire and TNC Vehicle Rules

Repeal of Prior Administrative Rule

This rule repeals and replaces *Medallion Lottery Eligibility, Procedures and Awardee Requirements* (CPU-09-2015)

CPU-09.1-2016

Medallion Lottery Eligibility, Procedures and Awardee Requirements

The following rule provides eligibility requirements, procedures and awardee requirements for a taxicab medallion lottery as authorized by Seattle Municipal Code 6.310.500.D.

A. Medallion Lottery Eligibility Requirements

The qualifications for medallion applicants are described below. For purposes of this rule only, a for-hire driver's license (FHDL) includes a FHDL or for-hire driver permit issued by the City of Seattle or King County and the term 'medallion' refers to taxicab medallion, unless otherwise specified.

1. Driving Experience and Record

Applications shall be accepted from persons holding a current and valid Seattle and/or King County FHDL for a period of 5 years or more immediately preceding the eligibility date for the lottery. The eligibility date for the lottery will be as announced in the lottery notification. A lottery applicant who has held a FHDL for 5 or more years will be considered to have sufficient driving experience. As a result of holding a current and valid FHDL issued by Seattle or King County, the applicant is considered to have an acceptable driving record.

2. Conduct Record

Applicants with more than 3 of any combination of the following uncontested or upheld final decisions within the 3 years immediately preceding the eligibility date for this lottery will be considered disqualified: Notice of Violation (Class B or C), Civil Infraction (Class 1 or 2), Criminal Misdemeanor, or Notice and Order (from King County).

3. Previous Medallion Winners

Any person who has been awarded a lottery medallion within the three years preceding this lottery eligibility date is not eligible. See SMC 6.310.330.L and 6.310.500.E.

B. Medallion Lottery Procedures

1. Notification of Lottery

a) Notification of the lottery will be posted on the City of Seattle website and at the office of Regulatory Compliance and Consumer Protection (RCCP), 700 Fifth Ave., Floor 42, Seattle, WA 98124, ten days before the application period begins.

b) Notification of the lottery will be sent to all Seattle and King County taxicab associations, for-hire vehicle companies, and Transportation Network Companies (TNC) via email.

c) The notification of the lottery will include the eligibility and drawing dates.

2. Application Procedures

a) All interested eligible applicants must complete and submit an application to RCCP. Lottery applications will be accepted online or in person at RCCP for a period of 10 business days. Only one application will be allowed per person per lottery.

b) The application will include the applicant's name, FHDL number, contact information (e.g. mailing address, telephone number and email) and electronic signature.

c) Each application will place the applicant's name and FHDL number on the lottery list.

d) Corrections to the lottery list will be made within two business days of the completion of the application period in the event obvious errors are evident to maintain the integrity of the odds. For example, multiple entries by the same applicant will be removed from the list, leaving each applicant one entry. A potential applicant who was erroneously omitted from the lottery list may request to be added by submitting a written explanatory statement to the Director within five business days after the corrected list is posted on the City of Seattle website.

e) If falsified information is submitted by the applicant, the applicant will be disqualified.

3. Lottery Drawing

a) The lottery drawing will be performed electronically at a date and time specified in the lottery notification.

b) All lottery entries will be randomly given a rank order number. Upon completion of the lottery drawing, the results will be officially verified and a complete rank order list, including applicant names and FHDL number, published on the City of Seattle website. This list will also be made available to the public at RCCP offices and provided to Seattle and King County taxicab associations, for hire vehicle companies, and TNCs via email.

C. Eligibility Determination

1. The eligibility determination will be completed in the same rank order as the lottery drawing.

2. Apparent awardees may be disqualified for driving experience, driving record, driver conduct or falsification of information.

3. The Director shall only review the eligibility of enough apparent lottery awardee necessary to award the medallions plus an additional 10% for the list of alternates.

D. Review and Hearing Processes

1. An apparent lottery awardee, who is informed that he/she is disqualified, may request a hearing by the Director or his/her designee to review the decision to issue the disqualification notice. The request for a hearing must be made in writing and received by the Director or his/her designee within ten calendar days from the date of the disqualification notice. The written request for review can be submitted in person, by mail or by email. Results of the review will be sent by email or by mail if an email is not listed on the lottery application.

2. The apparent lottery awardee may request a hearing of the review decision by the Hearing Examiner. The request for a hearing must be made in writing and received by the Hearing Examiner within ten days from the date the decision is sent.

E. Award Process

1. An *Intent to Award Medallions*, listing the apparent lottery awardees, will be published on the City of Seattle website when eligibility is determined. This list will contain both apparent lottery awardees and alternates. Any protest of the *Intent to Award Medallions* must be submitted in writing to the Director not later than 4:00 p.m. on the second business day after publication. The Director shall review and decide all protests received. The Director's decision is final.

2. Awarding the Medallion

Once the protest period has ended, awardees will be notified of mandatory attendance at a medallion award meeting. Awardees must bring a current and valid Washington State Driver's License and for-hire driver's license to the mandatory meeting.

The meeting will include review of licensing requirements, vehicle number issuance and provision of formal notice that a vehicle must be placed in service within 90 days from the date of the meeting.

3. Duties of an Applicant who is awarded a Medallion

An applicant who is awarded a medallion in the lottery must comply with SMC 6.310, and Rules issued pursuant to SMC 6.310, including, but not limited to the following:

a) Prior to and as a condition of the issuance of a new Seattle medallion, a medallion awardee, who holds a combined total of more than 50% ownership interest in any combination of Seattle and/or King County medallions, including for hire vehicles and taxicabs, shall relinquish any ownership interest beyond 50%. For example, a medallion awardee may have 25% ownership interest in two different medallions and still be eligible for issuance of a new medallion without the need to relinquish ownership. In a second example, if a medallion awardee has 100% ownership interest in one medallion, 50% ownership of that medallion must be relinquished to be eligible for issuance of the new medallion. Relinquishment (surrender or transfer) shall be consistent with SMC 6.310.500.E. The medallion awardee must sign a notarized affidavit affirming ownership interest in medallions.

Relinquishments must be **completed** prior to issuance of the new lottery medallion. A medallion transfer is completed when a new medallion certificate is issued. Submitting the *Voluntary Transfer of Taxicab or*

For-Hire Vehicle Medallion form to RCCP is insufficient and will result in the disqualification of the medallion awardee.

b) Awardee must place the taxicab in service within 90 days of the date of the mandatory meeting. Failure to place the vehicle in service within 90 days shall result in disqualification of the medallion award, and the medallion will be re-awarded to the next eligible person from the alternate list from this lottery drawing.

c) Any circumstances which preclude the awardee from placing the new medallion in service within 90 days from the date of the meeting, may be granted an extension to place the new medallion in service. The Director, in considering whether to grant such permission shall consider the following nonexclusive factors:

1. The awardee must submit a written request for an extension of time that states the specific reason additional time is required, identifies a plan and timetable for placing the vehicle in service within the shortest possible time, and attaches all documents substantiating the factual information contained in the request.
2. The plan and timetable submitted must reflect a reasonable approach for placing a vehicle in service within the shortest possible time frame.
3. If the Director determines that the request for an extension of time should be granted, the Director may grant the awardee no more than thirty (30) additional calendar days to place the vehicle into service.
4. No extensions will be granted to any licensee who is unable to meet the basic operational costs, including, but not limited to, liability insurance, regulatory fees, and normal maintenance and repairs of operating a vehicle.
5. No more than one extension will be granted.

d) The new medallion holder shall personally drive the taxicab 30 hours per week, at least 40 weeks in each year from the date the medallion is issued for three consecutive years. "Personally drive the taxicab" shall mean that the medallion holder is booked into a computer, application dispatch system or similar electronic dispatch technology. Hours that are driven in violation of the maximum daily allowed shall not be counted.

e) The new medallion shall only be issued to an individual, LLC with single member, or corporation with single shareholder for three consecutive years per SMC 6.310.330.L.

f) The new medallion is not transferable for a period of three years from the original date of issuance.

4. Reasons for Not Driving

The three year driving requirement may be extended once for up to six months if the medallion holder requests an extension from the Director in writing and cites valid reasons based upon special circumstances (documentation required). Special circumstances include, but are not limited to, interruptions caused by a serious and prolonged illness of either the medallion holder or an immediate family member as documented by a physician's report, or the death of an immediate family member

documented by a certified death certificate. "Immediate family member" shall mean a spouse or domestic partner, and the parent, child, sibling, grandparent and grandchild of the awardee or his/her spouse or domestic partner. Failure of the medallion holder to personally drive the taxicab due to death or long term disability of six months or more shall result in revocation of the medallion.

5. Revoking Medallion Awards

a) If a medallion award is made and evidence subsequently comes to the City's attention that the awardee was not eligible, or if the medallion holder is unable to meet the duties as described in this rule or SMC 6.310 the medallion award shall be revoked. The awardee may request a hearing with the Director or his/her designee to appeal the decision to revoke the medallion. This request must be received within 10 calendar days of the date of the letter notifying the applicant of the decision to revoke the medallion.

b) If a medallion becomes available for re-award as a result of a revocation, the medallion will be re-awarded to the next eligible person from the alternate list from this lottery drawing. In order to remain eligible for re-award, an alternate must continue to meet the eligibility requirements contained in Section A of this rule at the time the medallion is re-awarded.

F. Right to Terminate the Medallion Issuance Process.

The City reserves the right to terminate the medallion issuance process without cause.

G. Dual-Licensed Taxicabs.

The eligibility requirements in Section A of this rule may be modified by the Director for medallions that are issued jointly with King County by Request for Proposal (RFP), lottery or a combination of the two.