



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 10	Supersedes: R-6.310.330.N, R-6.310.500.D		
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Director's Rule: CPU-09-2015 Medallion Lottery Eligibility, Procedures and Awardee Requirements	Code and Section Reference: SMC 6.310.330.N and 6.310.500.D			
	Type of Rule: Code Interpretation			
	Ordinance Authority: SMC 3.02.060			
Approved:  _____ Fred Podesta, Director			 _____ Date	

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

Repeal of Prior Administrative Rule(s)

This rule supersedes R-6.310.330.N New Taxicab License Transfers and R-6.310.500.D Taxicab License Eligibility

CPU-09-2015

Medallion Lottery Eligibility, Procedures and Awardee Requirements

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

A. Medallion Lottery Eligibility

The qualifications for taxicab medallion applicants for non-wheelchair accessible taxicabs (Non-WAT) and wheelchair accessible taxicabs (WAT) are described below. The driving record and conduct record standards for WAT medallion applicants are stricter because passengers in wheelchairs are more easily injured in accidents and their special needs require additional training and higher levels of customer service. For purposes of this rule only, a for-hire driver’s license (FHDL) includes a FHDL or for-hire permit issued by the City of Seattle or King County.

1. DRIVING EXPERIENCE REQUIREMENTS

Type	Driving/Operating	Full-Time	Years	Documentation
Total experience	Licensed Seattle or King County For-Hire Driver	Not applicable	FHDL has been renewed continuously for the last 10 years immediately preceding the start date of the lottery application period	Copy of FHDL card; FHDL application file
OR				
Total Experience + Recent experience	Experience driving Seattle or King County taxicab, for-hire vehicle or TNC-endorsed vehicle	30 hours per week for 40 weeks per year	FHDL has been renewed five out of the last 10 years <u>PLUS</u> two years of continuous experience driving immediately preceding the start date of the lottery	Copy of FHDL card; FHDL application file; lease agreements; taxicab association, for-hire vehicle company or Transportation Network Company (TNC) dispatch computer records.

			application period	May also provide trip records. Recent experience is part of total experience.
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2. DRIVING RECORD REQUIREMENTS

Type	Driving/ Operating	Non-WAT	WAT	Documentation
Moving Accidents	Any vehicle (including personal vehicle).	Not more than two during the five years immediately preceding the start date of the lottery application period; and not more than one during the two years of recent experience.	Not more than one during the five years immediately preceding the start date of the lottery application period; and none during the two years of recent experience.	Certified "Abstract of Complete Driving Record" from WA Department of Licensing. Official copy of accident report from law enforcement agency where the accident occurred or the State of Washington "Police Traffic Collision Report" from the Washington State Patrol
Moving Violation Convictions	Any vehicle (including personal vehicle).	Not more than two during the five years immediately preceding the start date of the lottery application period; and not more than one during the two years of recent experience.	Not more than one during the five years immediately preceding the start date of the lottery application period; and none during the two years of recent experience.	Certified "Abstract of Complete Driving Record" from WA Department of Licensing. WAC 308-104-160 defines moving violations.

3. CONDUCT REQUIREMENTS

Type	Driving /Operating	Non-WAT	WAT	Documentation
Notice of Violation, Civil Infraction, Criminal Misdemeanor, or Notice and Order (King County)	While driving Seattle or King County taxicab, for-hire vehicle, TNC- endorsed vehicle or limousine.	Not more than two uncontrosted or upheld in final decision during the five years immediately preceding the start date of the lottery application period; and not more than one during the two years of recent experience.	Not more than one uncontrosted or upheld in final decision during the five years immediately preceding the start date of the lottery application period; and none during the two years of recent experience.	City, County or State records

4. **Special Circumstances.** The Director of the Department of Finance and Administrative Services or his/her designee (Director), may review, at the Director's discretion, any taxicab medallion applicant's file that may contain special circumstances not specifically addressed by this rule. In these cases, the Director shall make a determination whether the applicant's experience, driving record and conduct record are the equivalent of the minimum qualifications specified in this rule.
- a. **Continuous Driving Experience.** Special circumstances include but are not limited to: failure to meet minimum continuous driving experience due 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 family member who resides with the medallion applicant or for whom the medallion applicant is the primary caregiver.
 - b. **Moving Accidents.** A driver who claims that a moving accident should be disregarded, because the driver was not at fault, may request a review. The driver must submit an official copy of the accident report completed by the law enforcement agency where the accident occurred or a copy of the State of Washington Police Traffic Collision Report. The driver must pay any fees required by the Washington Department of Licensing for the report. The moving accident may be disregarded by the Director providing that: (i) there was a law enforcement investigating officer at the scene, (ii) the investigating officer completed the accident report, and (iii) no citation was issued to the driver in connection with the accident.

B. Medallion Lottery Procedures

1. Notification of application process

- a) Lottery notification will be posted on the City of Seattle website, <http://www.seattle.gov/business-regulations/taxis-for-hires-and-tncs>
- b) Lottery information will be available at the Consumer Protection Unit (CPU)
- c) Lottery notification will be sent to Seattle and King County taxicab associations, for-hire vehicle companies, TNCs and other regulated industries with for-hire drivers via email
- d) The minimum notification period shall be five business days.

2. Application Procedures

- a) Lottery applications will be accepted in person at CPU (address at <http://www.seattle.gov/business-regulations/taxis-for-hires-and-tncs>) for a period of 10 consecutive business days, excluding City-observed holidays. Only one application will be accepted per individual per lottery. If more than one application is submitted by an individual the applicant will be disqualified from the lottery. No person may apply who was previously awarded a medallion by lottery within the previous three years.
- b) Lottery applicants must present a valid City of Seattle or King County FHDL along with a valid Washington State driver's license (WDL). The FHDL number will be used to determine how long the applicant has held a FHDL and whether the applicant meets the five year total driving experience eligibility requirement. Applicants who have held a FHDL for at least five years will be given a lottery application form that must be completed and submitted on site.
- c) Each lottery application will be individually numbered. If an error in the identity of the applicant is made on an application, and it is determined by the Director to be substantial, the application shall be voided. A substantial error would include the identifying information for the lottery applicant (e.g. incorrect name, incorrect FHDL). If an application is voided, the word "VOID" will be written on the application. The voided number of the application will be recorded and the application will be securely stored with all lottery materials.
- d) The lottery drum will be kept on site and will be kept locked at all times. At the close of business the lottery drum will stored in a secure location.
- e) Absentee applications will be accepted only from applicants located outside Washington State during the same business days the lottery applications are accepted.
- f) (1) Absentee applicants must contact CPU by email and provide a copy of their FHDL and a return email address to request an absentee application during the application period. If eligible, CPU will send the absentee lottery application along with instructions by email attachment. Applicants must complete the absentee lottery application and an applicant's signature must be notarized. Scanned absentee applications must be returned by **email** to CPU no later than 4:00 p.m., local Seattle time, on the last day applications are accepted.

(2) In order for the absentee lottery application to be valid, the applicant must submit the **original** absentee application, Washington State driver's license and verifiable documentation (e.g., airline tickets) verifying that the applicant was out of state on the same business days the lottery applications were being accepted. This **original absentee lottery application** must be received (by mail or in person) by CPU by 4:00 p.m., local Seattle time, no later than five business days after the lottery

application closing date. If the original absentee lottery application is received after the five business days, the applicant will be disqualified. If the original absentee lottery application differs from the lottery application submitted by email attachment, the applicant will be disqualified.

3. Lottery Drawing

- a) Lottery drawings will be held at a date, time and public location specified in the lottery notification.
- b) The lottery drawing will be conducted by officials from the City of Seattle with no direct association with CPU.
- c) Prior to the drawing, the City officials in charge of the lottery will verify that there is a ticket with a matching serial number for each application submitted. All lottery tickets will be drawn and given a rank order number. Upon completion of the lottery, the results will be officially verified when a complete rank order list including the applicant names is posted on the CPU website. The verified lottery results will also be available for examination at CPU (address at <http://www.seattle.gov/business-regulations/taxis-for-hires-and-tncs>). The lottery will be void and redrawn if all valid tickets are not drawn.
- d) The City may hold one lottery with a single drawing resulting in two separate awards of medallions. The eligibility date for the first award shall be as specified in A.1 "Medallion Lottery Eligibility" (Table). The eligibility date for the second award shall be 90 days after the first eligibility date. For example, if the eligibility date for the first award is June 1 then the eligibility date for the second award shall be August 30. Some applicants may not meet eligibility requirements for the first medallion award but will be considered for the second award. Notifications shall clearly state that the lottery will result in separate awards and the number of medallions in each award.

4. Verification of Eligibility

- a) From the rank order list that was produced from the lottery drawing, applicants will be contacted, provided a *Verification of Eligibility form* and must submit it and all required documentation in person to the City of Seattle's Consumer Protection Unit (address at <http://www.seattle.gov/business-regulations/taxis-for-hires-and-tncs>). The form will be available on the CPU web site.

Applicant contact information on file will be used by the City to communicate with the applicant. The first two attempts to contact will be made by email and/or mail. If either email or mail is returned, the third contact attempt will be one phone call. All attempts to contact the applicant will inform the applicant that this matter requires immediate response and that failure to adhere to the deadline will disqualify the applicant from the lottery.

Failure to submit the *Verification of Eligibility form*, and all required documents, by 4:00 p.m. 10 business days after the lottery results have been officially verified will result in disqualification from the lottery. If an absentee applicant is contacted and informed to submit a *Verification of Eligibility form* the absentee applicant will be allowed until 4:00 p.m. 15 business days after the lottery results have been officially verified to submit a *Verification of Eligibility form* in person to CPU. If the absentee applicant does not submit the *Verification of Eligibility form*, and all required documentation, in person to CPU in the time allowed, the absentee applicant will be disqualified.

The number of applicants required to submit the *Verification of Eligibility form* and all required documents to CPU will be sufficient to award the lottery winners for all lottery awards and an additional 10% will be classified as alternates.

- b) The Director shall only review the eligibility of enough applicant records necessary to award the medallions plus an additional 10% as alternates.

To conduct the verification, City officials will examine records, including but not limited to, records obtained from the City (e.g. passenger complaint, Notice of Violation, business license), King County Licensing (e.g. FHDL records), Department of Licensing (e.g. Abstract of Complete Driving Record), taxicab associations, for-hire vehicle company and TNC records (e.g. computer dispatch records, trip records, complaint records, credit card charge records, collision reports and any other written or electronic records as needed), and Drivers (e.g. trip records, credit card charge records, and any other written or electronic records as needed).

These combined records will be used to verify eligibility as defined in Section A. Experience shall be documented by computer dispatch records obtained from the taxicab association, for-hire vehicle company or TNC whenever possible. The computer dispatch records must detail driver name, driver for-hire number or ID number, vehicle number, date, start time, end time, trip start location(s), trip end location(s). Moving accidents will be counted as “at fault” unless the special circumstances of have been met. Moving accidents, moving violation convictions, and/or Notices of Violation that occur before the drawing but do not appear on the Abstract of Complete Driving Record will be considered in verifying eligibility for the lottery. If falsified records are submitted by the applicant, the applicant will be disqualified. If falsified records are submitted by a taxi association, for-hire vehicle company, TNC or other licensed business, then all applicants whose records were received from that business will be audited against computer dispatch and other records to determine qualification for the lottery.

5. Eligibility Review

- a) The application review will be completed in the same rank order as the lottery drawing. If, during any time of the review process, the applicants are found to be ineligible, the applicants will be sent letters informing them that the lottery applications have failed to meet the eligibility requirements, and an explanation of the review process.
- b) When two awards of medallions will be made by a single lottery, applicants who are found to be ineligible for the first award will be considered in the same rank order for the second award. The remaining eligible applicants will be classified by rank order as alternates based on the second eligibility date.

6. Review and Appeal Processes

- a) **Review Process.** When an applicant fails to meet the eligibility requirements for the lottery, the applicant will be mailed a letter detailing the reason(s) the applicant failed to meet the eligibility requirements and explaining the procedures for requesting a review by the **Manager** of CPU. This letter will be mailed to the address on file and will contain an Affidavit of Service by Mail. Requests for a review must be in writing, state the specific records the applicant believes contain errors, and be

received by CPU within 10 business days after the date the lottery rejection letter was mailed. The written request for review can be submitted in person or by mail to CPU. Results of the review will be sent by mail to the applicant.

- b) **Appeal Process.** The applicant may appeal the review decision of the Manager of CPU to the Director. The applicant's appeal must be made in writing and received by the Director within 10 business days after the date that the review decision is mailed.

7. Apparent Medallion Awardees

After verification of eligibility has been completed, an *Intent to Award Medallions* listing the apparent awardees will be announced. This list will contain both apparent awardees and alternates. Any protest of the *Intent to Award Medallions* must be filed in writing to the Director no later than 4:00 p.m. on the second business day after such announcement. The Director shall review and decide all protests received. The Director's decision is final.

8. Duties of an Applicant who is awarded a Taxicab Medallion

An applicant who is awarded a City taxicab medallion as a result of this lottery must comply with all requirements in SMC 6.310 and Rules issued pursuant to SMC 6.310 including, but not limited to the following:

- a) A current medallion holder shall relinquish any ownership interest beyond 50% in a City of Seattle or King County taxicab medallion or for-hire vehicle medallion prior to and as a condition of the issuance of a new Seattle taxicab medallion. In addition the applicant shall sign a notarized affidavit that they do not hold ownership interest beyond 50% in a City of Seattle taxicab medallion or for-hire vehicle medallion.
- b) The new medallion holder must attend a medallion awardee meeting, provided by the City, to include review of licensing requirements, vehicle number issuance and provision of formal notice that a vehicle must be placed in service within 60 days.
- c) The new medallion holder must place the new vehicle in service within 60 days of the date the license is awarded. The award date is the date on the letter of notification of award winners that is sent by the Director.

A lease driver, or taxicab licensee, who has a valid Lease Summary Sheet on file with the Director, with a lease period effective date prior to the lottery drawing date, may be granted an extension of the 60-day requirement to place the new taxicab in service. These extensions will be granted by the Director on a case-by-case basis and pursuant to a written request from the applicant.

The Director may extend the time for placing a new taxicab in service up to ninety (90) days if the applicant has submitted a completed loan application to a financial institution and is waiting for the loan to be approved.

- d) The new medallion holder shall personally drive the taxicab for three years from the date of issuance. "Personally drive the taxicab" shall mean that the medallion holder is booked into a computer or

application dispatch system. Hours that are driven in violation of the maximum daily allowed shall not be counted.

- e) The medallion holder must report either quarterly trip records or submit a report from the taxi association based on dispatch records which show the total hours of operation at the end of every quarter. Reports are due to CPU no later than the 30th day of the following month.
- f) The new medallion holder shall license the taxicab as an individual, LLC with single member, or corporation with single shareholder for three years; and
- g) The new medallion holder shall not transfer the taxicab medallion for a period of three years from date of medallion issuance.

9. Reasons for Not Driving

The three year driving standard may be extended up to six months if the medallion holder requests an extension from the Director in writing and cites valid reasons based upon extraordinary events. Examples of valid reasons are serious and prolonged illness of the medallion holder; serious and prolonged illness of an immediate family member 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 family member who resides with the medallion holder or for whom the medallion holder is the primary caregiver.

10. Withdrawing or Revoking Medallion Awards

- a) If a medallion award is made and evidence subsequently comes to the City's attention that the applicant was not eligible, or if the driver cannot place the taxicab in service within 60 days of the award date, the medallion award will be withdrawn. The applicant may request a hearing with the Department Hearing Officer to appeal the decision to withdraw the taxicab medallion award within 10 business days of the date of the letter notifying the applicant of the decision to withdraw the taxicab medallion award. If a medallion becomes available for re-issuance in this manner, the medallion shall be re-awarded to the next eligible applicant from the alternate list from this lottery and must comply with all requirements specified in 8 above. In order to remain eligible as an alternate on the list, a driver must continue to meet the eligibility requirements contained in Section A at the time that the medallion is re-awarded.
- b) **Death or Disability of the Medallion Holder.** If the medallion holder is unable to personally drive the taxicab due to death or long term disability of six months or more, the taxicab medallion shall be revoked. If a medallion becomes available for re-issuance in this manner, the medallion shall be re-awarded to the next eligible applicant from the alternate list from this lottery and must comply with all requirements specified in 8 above. A taxicab medallion will be re-awarded to the next eligible alternate, for the same lottery, if the original successful applicant is subsequently found to be ineligible or is disqualified. In order to remain eligible as an alternate on the list, a driver must continue to meet the eligibility requirements contained in Section A at the time that the medallion is re-awarded.

11. Right to Terminate the Medallion Issuance Process.

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

12. Dual-Licensed Taxicabs.

The driving experience, driving record and conduct record standards in this rule may be modified by the Director for taxicab licenses that are issued jointly with King County either by Request for Proposal (RFP) or lottery.