



City of Seattle
Edward B. Murray, Mayor

Finance and Administrative Services
Fred Podesta, Director

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Department of Finance and Administrative Services	Publication: 10/16/2014	Effective: 11/12/2014
Director's Rule: R-6.310.315 Taxicab Vehicle Lease	Code and Section Reference: SMC 6.310.315	
	Type of Rule: Amended to authorize a Wheelchair Accessible Services Fund surcharge on the lease amount and establish a cap	
	Ordinance Authority: SMC 3.02.060	
Approved: <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  Fred Podesta, Director </div> <div style="text-align: center;">  Date </div> </div>		

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 CITY CLERK

City of Seattle Taxicab and For-Hire Vehicle Rules

Rule R-6.310.315

Taxicab Vehicle Lease

1. Written Lease Agreement. All taxicab lessors must file a notarized "Taxicab Lease Summary Sheet" with the Director for each lessee. The lessor must provide a signed copy of this form to the lessee when it has been filed and accepted by the Director. All taxicab vehicle lease agreements must be in writing and include, at a minimum, the following information:

(1) **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 licensee(s). The lessee must hold a valid for-hire driver license and the lessee's for-hire driver license number and license expiration date must be indicated. The lessor must give a signed copy of this written lease agreement to the lessee at the time that it is been signed and notarized.

(2) **Lease period.** The lease period shall not exceed one (1) year , provided, however, that the lease period shall not exceed two (2) years for any written lease agreement under which a lease driver drives multiple taxicabs on an irregular basis for the same lessor or for a single taxicab co-operative. The lease period start and end dates/times shall be specified.

(3) **Lease Payment Period.** The lease payment period shall be specified as per shift, weekly, or monthly. An exception is allowed for lease drivers who drive multiple taxicabs on an irregular basis for the same licensee or a single taxicab co- operative. When the exception is applicable, the lease shall specify a per shift lease payment period. The sum of the lease payments for one week, charged to a driver on a per shift lease payment period, shall not exceed the weekly lease cap. Improper use of the per shift lease payment period or the exception for drivers of multiple taxicabs with irregular shifts shall be considered lease cap violations pursuant to SMC 6.310.315D (Class C monetary penalty and taxicab license suspension or revocation).

(4) **Shift and Shift Start/End Times.** The shift and shift start/end times must be specified, e.g., day shift, 4:00 a.m.-4:00 p.m. An exception is allowed for lease drivers who drive multiple taxicabs on an irregular basis for the same licensee or a single taxicab co-operative. For these drivers, a single written lease agreement may be used. This lease shall omit the shift and shift start/end times and, instead, shall indicate "various." This lease shall specify a per shift lease payment period. The Director may require the lessor to submit evidence to support this exception and may determine that the exception isn't appropriate. Single shift leases shall indicate "single shift" instead of "day" or "night" shift.

(5) **Lease amount.** The lease amount cannot exceed the lease caps (maximums) established by this rule. Lease rates must be specified for standard lease payment periods, i.e., per shift, weekly or monthly. Lease drivers who drive multiple taxicabs on an irregular basis for the same licensee or a single taxicab co-operative shall have a per shift lease payment period. The sum of the lease payments for one week, charged to a driver on a per

shift lease payment period, shall not exceed the weekly lease cap. No other charges of any kind may be assessed against the lessee except that a "green vehicle" surcharge and a "Wheelchair Accessible Services Fund" surcharge may be authorized by the Director in this rule.

(6) **Written Receipts.** Original written receipts shall be provided to the lessee by the lessor for all lease payments paid in cash or by money order. The receipt shall indicate, at a minimum, the date, lessor, lessee, taxicab name and number, lease payment period, and amount paid. Written receipts shall also include the signature of the lessor.

(7) **Other Terms and Conditions.** The lease shall not provide that the lessee drive in excess of the maximum hours per day specified at SMC 6.310.455.G. A lessee shall not be required to pay a vehicle damage deposit or pay for vehicle collision repairs. The conditions under which a lease is terminated shall be clearly listed. The taxicab name and number, vehicle model year, make and model, and fuel (e.g., gasoline, hybrid, compressed natural gas (CNG), biodiesel) shall be specified. The lease amount shall be reduced proportionately for any amount of time that the taxicab is unavailable for use by the lease driver.

(8) **Filing "Taxicab Lease Summary Sheet".** The lessor is required to file, with the city, the original "Taxicab Lease Summary Sheet," on a multi-part form approved by the Director, within five (5) days of the lease effective date. The lessor and lessee shall each keep one copy of the form. The "Taxicab Lease Summary Sheet" form shall include the information described in (1)-(7) above. The lessor shall certify that the information on the "Taxicab 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 and SMC 6.310.315. The signatures of both the lessor and lessee are required and must be notarized.

2. Lease Caps. The maximum lease (i.e., lease cap) that may be charged to lease a taxicab shall not exceed the amount specified below. A lease cap surcharge may be authorized by the Director for "green vehicles" as defined in rule pursuant to SMC 6.310.320.N.

(1) **Shift.** The maximum taxicab lease that may be charged to a lease driver is \$85 per shift if the taxicab is leased on a per shift lease payment period. This lease cap shall be for one 12-hour shift. Lease drivers who drive multiple taxicabs on an irregular basis for the same licensee or a single taxicab co-operative shall have a per shift lease payment period. The sum of the lease payments for one week, charged to a driver on a per shift lease payment period, shall not exceed the weekly lease cap.

(2) **Week.** The maximum taxicab lease that may be charged to a lease driver is \$475 per week if the taxicab is leased on a per week lease payment period. This lease cap shall be for one 12-hour shift per day for a calendar week of seven days.

(3) **Month.** The maximum taxicab lease that may be charged to a lease driver is \$1,900 per month if the taxicab is leased on a per month lease payment period. A month shall be a calendar month of 28-31 days.

(4) **Single shift.** The maximum lease that may be charged for a taxicab that is single shifted, i.e., leased by one driver, shall not exceed twice the maximum taxicab lease per shift, per week, or per month specified above. A lease driver who enters into a single shift taxicab lease shall not sublease the taxicab as provided by SMC 6.310.315E.

(5) **"Green Vehicle" Surcharge.** A licensee may demand a surcharge, not to exceed \$15 per shift, \$105 per week, or \$420 per month more than the lease cap specified in this rule, if the taxicab licensee voluntarily places a green vehicle into service that is not more than 4 model years old. The green vehicle may be retained in service until it is 10 model years old providing that it passes annual safety inspections by approved ASE-certified technicians. A "green vehicle," for the purpose of this lease cap surcharge, is any motor vehicle that meets the provisions of Rule R-6.310.320.N that has the following propulsion: electric, gasoline-electric hybrid, compressed natural gas (CNG), propane (liquified petroleum gas), fuel cell, or clean diesel (ultra low sulfur) as defined by the Environmental Protection Agency.

(6) **"Wheelchair Accessible Services Fund" Surcharge.** A taxicab licensee may collect \$0.10 per trip from all drivers based on actual trip records kept pursuant to SMC 6.310.540.E, or, alternatively, the taxicab licensee may demand a surcharge, not to exceed \$0.10 per trip, \$1.60 per shift, \$9.10 per week, or \$39.50 per month for the first year of implementation (November 12, 2014 – November 11, 2015). Subsequent years' surcharge will be based on actual revenue trips as reported by each company pursuant to SMC 6.310.540 and/or taximeter statistics and will be provided on a schedule provided by the Consumer Protection Unit of the City of Seattle. These surcharges will pass through \$0.10 per trip from the driver to the taxicab owner and subsequently to the taxicab association who will remit it to the City of Seattle. The surcharge monies shall be deposited in a dedicated Wheelchair Accessible Services Fund for disbursement to wheelchair accessible taxicab (WAT) owners and drivers pursuant to rule. The Director can increase or decrease this surcharge based on factors outlined by SMC 6.310.175.B and C. Inability to collect from a driver or owner does not release the association's obligation to pay the WAS surcharge.

(7) **Workers' Compensation and Retail Sales Tax.** The lessor shall not add to the lease amount or otherwise charge the lessee for any amounts that the lessor is responsible for with respect to Workers' Compensation industrial insurance premiums to the Washington Department of Labor and Industries and retail sales tax on taxicab lease amounts due to the Washington Department of Revenue.

(8) **Lease Cap Adjustments.** The Director may increase the lease cap if average taxicab licensee costs increase significantly. Any taxicab licensee may request a special review of lease caps if a significant increase in industry-wide costs can be documented. Lease caps shall be reviewed every even year (e.g., 2010) by September 1, and lease caps shall be adjusted as necessary. Lease caps shall be reviewed whenever the taximeter rate is changed.

(9) **Multiple Leases.** The applicable lease cap specified under this rule applies to the total lease amount that may be charged for leasing a taxicab regardless of whether the taxicab is licensed by more than one local government. A Seattle taxicab licensee shall not demand any lease amount that exceeds the applicable lease cap specified in this rule by requiring a

lessee to enter into multiple leases when the Seattle taxicab has other taxicab licenses issued by other local governments. The taxicab leases permitted by this rule apply to the lease of taxicab vehicles only. Taxicab licenses issued under SMC Chapter 6.310 may not be subleased by a lessee.

(10) Termination of Leases. A lessor may only terminate a lease for the reasons specified in the written lease agreement. A lease shall not be terminated for any other reason without written concurrence of both the lessor and the lessee. A lessor shall not terminate a lease before the end date specified in the written lease agreement, even with advance notice to the lessee, 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