



**Seattle**



**King County**

<p>Department: <b>City of Seattle Department of Finance and Administrative Services</b></p>	<p>Rule No: FOR-HIRE TRANSPORTATION- 16-2024</p>	<p>Supersedes: Clerk File 314171</p>
	<p>Publication: 9/13/2024</p>	<p>Effective: 10/25/2024</p>
<p>Subject: Leasing a Taxicab or For-Hire Vehicle</p>	<p>Code and Section Reference(s): SMC 6.311.320  SMC 6.311.470 (rulemaking authority)</p>	
<p>Approved:</p> <p>DocuSigned by: <i>Beth Gappert</i> C73B961E510B4F1...</p> <p>Division Director</p> <p>DocuSigned by: <i>Sherrri Crawford</i> D0741553137C40F...</p> <p>Business Unit Officer</p> <p>Signed by: <i>Kiersten Grove</i> 216EC6A2E8CB4AC...</p> <p>Kiersten Grove, Acting Director</p>	<p>10/9/2024</p> <p>_____</p> <p>Date</p> <p>10/9/2024</p> <p>_____</p> <p>Date</p> <p>10/11/2024</p> <p>_____</p> <p>Date</p>	
<p><b>King County / Department of Executive Services</b>  <b>Document Code No.:</b> FHT-15-2024-PR  <b>Repeals:</b> New  <b>Title:</b> Leasing a Taxicab or For-Hire Vehicle  <b>Effective Date:</b> October 16, 2024  <b>Authorities:</b> KCC 6.65.320 and KCC 6.311.470 (rulemaking authority)  <b>Keywords:</b>  <b>Sponsoring Agency:</b> Records and Licensing Services Division (RALS)</p> <p>DocuSigned by: <i>Lorraine Patterson-Harris</i> 8FC3E766E8FD408...</p> <p><b>Director signature:</b> _____</p> <p><b>Date signed:</b> 10/15/2024 _____</p>		

## City of Seattle and King County For-Hire Transportation Rules

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### City of Seattle Director's Rule FOR-HIRE TRANSPORTATION-16-2024 and King County Public Rule FHT-15-2024-PR – Leasing a Taxicab or For-Hire Vehicle

Pursuant to an interlocal agreement, the City of Seattle and King County work cooperatively to regulate for-hire passenger transportation. The Rule supersedes City of Seattle Clerk File 314171 and King County adopts this Rule as new.

- I. **Purpose.** To establish requirements for leasing a taxicab or for-hire vehicle.
- II. **Definitions.** For purposes of this Rule, the following definitions apply:
  - A. "Director" means the director of King County's Department of Executive Services and/or the City of Seattle's Director of Finance and Administrative Services, or their designees.
  - B. "Lessee" means a person who has a regional for-hire driver's license that leases a taxicab or for-hire vehicle required to be licensed under Seattle Municipal Code chapter 6.311 and King County Code chapter 6.65.
  - C. "Lessor" means a person who has leased a taxicab or for-hire vehicle to a lessee.
  - D. "Medallion owner" means a person who owns a taxicab medallion, a wheelchair accessible taxicab medallion, or a for-hire vehicle medallion, issued by the Director.
  - E. "Temporary use agreement" means a signed, written agreement between a single owner or a single RDA and a regional for-hire driver, who operates a single taxicab on an irregular basis for 30 days or less in a calendar year, consistent with Section III.3.o of this Rule.

- III. **Requirements.**

1. A lessor must own or lease the taxicab or for-hire vehicle medallion associated with the vehicle to be leased. A lessee must hold a valid regional for-hire driver's license and hold an active dispatch account with the transitional regional dispatch agency (TRDA) or regional dispatch agency (RDA) with which the leased vehicle is affiliated.
2. The lessor is required to file with the Director the original "Taxicab Lease Summary Sheet," in a format specified 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 this Rule.

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 6.311.320 and KCC 6.65.320. The form shall include the signatures of both the lessor and lessee are required and must be notarized.

3. All taxicab or for-hire vehicle lease agreements must be in writing and contain, at a minimum, the following information:
  - a. Full names of the lessor and lessee.
  - b. Signatures of the lessor and lessee. The Director may require the signatures to be notarized.
  - c. The lessee's regional for-hire driver's license number and license expiration date.

- d. The taxicab or for-hire vehicle's affiliated TRDA or RDA, medallion number, model year, make and model, and fuel type (e.g., gasoline, hybrid, electricity, biodiesel).
- e. All reasons under which a lease may be terminated.
- f. The lease period start date/time and end date/time shall both be specified. The lease period shall not exceed one (1) year.
  - i. Exception. For a lessee who drives multiple taxicabs or for-hire vehicles on an irregular basis for the same lessor or for a single transitional regional dispatch agency (TRDA) or regional dispatch agency (RDA), the lease period for any written lease agreement shall not exceed two (2) years. The Director may require the lessor to submit evidence to support an irregular schedule and may determine the schedule is not appropriate.
- g. The shift and shift start/end times shall both be specified (e.g., a day shift between 4:00 a.m. and 4:00 p.m.). Single shift leases shall indicate "single shift" instead of "day" or "night" shift.
  - i. Exception. For a lessee who drives multiple taxicabs or for-hire vehicles on an irregular basis for the same lessor or a single TRDA or RDA, the lease shall omit the shift and shift start/end times and shall instead indicate "various." The Director may require the lessor to submit evidence to support an irregular schedule and may determine the schedule is not appropriate.
- h. Lease rates must be specified for standard lease payment periods (i.e., per shift, weekly, or monthly).
  - i. Exception. For a lessee who drives multiple taxicabs or for-hire vehicles on an irregular basis for the same lessor or a single TRDA or RDA, the lease payment period shall be per shift.

Costs already factored into the lease amount, including but not limited to vehicle purchase, insurance premiums, vehicle repairs or maintenance, and dispatch fees, shall not be charged to the lessee as an additional amount. As authorized in this Rule, the surcharge for the Wheelchair Accessible Services Fund may be assessed against the lessee.

The lease amount shall be reduced proportionately for any amount of time that the taxicab or for-hire vehicle is unavailable for use by the lessee.

- i. Original written receipts shall be provided to the lessee by the lessor for all lease payments regardless of payment method. The receipt shall indicate, at a minimum, the date, lessor, lessee, taxicab or for-hire vehicle's affiliated TRDA or RDA, medallion number, lease payment period, and amount paid. Written receipts shall also include the lessor's signature.
- j. The lease shall not require the lessee to operate the taxicab or for-hire vehicle in excess of the maximum hours per day specified at SMC 6.311.170.G and KCC 6.65.170.G.
- k. Surcharge for the Wheelchair Accessible Services (WAS) Fund. A lessor may collect \$0.10 per trip from all lessees based on actual trip records kept pursuant to SMC 6.311.360.D or KCC

6.65.360.D, or, alternatively, the lessor may demand a surcharge, not to exceed \$0.10 per trip, \$0.20 per shift, \$3.00 per week, or \$12.80 per month.

Inability to collect from a lessee does not release the lessor's obligation to pay the WAS surcharge.

- i. **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 State Department of Labor and Industries and retail sales tax on taxicab lease amounts due to the Washington State Department of Revenue.
- m. **Lease Caps.** This Rule does not impose any maximum (i.e., cap) on the amount charged to lease a taxicab or for-hire vehicle. The Director may impose lease caps after considering vehicle purchase prices, the cost of insurance premiums, fuel costs, and variations in the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U), for the Seattle area, evaluated over a 24-month time period preceding the adjustment and may consider any other factors that may affect the market for taxicab or for-hire vehicle leases or that may affect the provision of for-hire transportation services.
- n. **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 for a reason not specified in the written lease agreement 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. The Director may require the signatures to be notarized.
- o. For a driver who operates a single taxicab on an irregular basis for a single owner or a single RDA, a "Taxicab Lease Summary Sheet" is not required to be filed with the Director. However, the driver and owner shall have a signed Temporary Use Agreement, which shall be kept in the vehicle while operating and provided to the Director upon request. Such an arrangement shall meet the following requirements:

  - i. The driver shall have a valid regional for-hire driver's license;
  - ii. The driver shall operate the vehicle no more than a total of thirty (30) days per calendar year;
  - iii. The driver shall not be an excluded from the insurance policy for the vehicle; and
  - iv. The vehicle shall be equipped with and operate a smart taximeter.
- p. On April 1, 2026, all for-hire vehicle medallions shall become taxicab medallions. The medallion system for for-hire vehicles shall no longer be in effect after March 31, 2026.

**IV. Implementation.** Unless specified otherwise in this Rule, these requirements take effect immediately after the Director files this Rule with the Seattle City Clerk and with the King County Archives, Records Management, and Mail Services Section (ARMMS).

- V. Rule Maintenance.** The Director will periodically consult with industry stakeholders, including lessors and lessees, on the requirements to lease a taxicab or for-hire vehicle to determine whether this Rule needs revision.
  
- VI. Rule Enforcement.** The Director may review written documentation and consider community feedback to ensure compliance with the requirements outlined herein.