

**City of Chicago
Department of Consumer Services
Public Vehicle Operations Division**

**RULES AND REGULATIONS
FOR
TAXICAB MEDALLION LICENSE HOLDERS**

**Effective April 17, 2006
Amended October 20, 2006
Amended September 24, 2007
Amended May 1, 2008**



**City of Chicago
Richard M. Daley
Mayor**

**Norma I. Reyes
Commissioner**

Upon adoption of these Rules and Regulations for Taxicab Medallion Owners, these Rules and Regulations will supersede the previously issued Rules and Regulations for Public Passenger Vehicle License Holders, as amended.

**RULES AND REGULATIONS FOR
TAXICAB MEDALLION LICENSE HOLDERS**

AUTHORITY AND USAGES

WHEREAS, pursuant to the authority granted in Chapter 2-24, § 2-24-040 of the Municipal Code of Chicago, the Commissioner of Consumer Services is authorized to issue rules and regulations necessary or proper to accomplish the purposed of Chapters 9-112 and 9-104 of the Municipal Code of Chicago, and is further authorized to make reasonable administrative and procedural regulations or rules interpreting or clarifying the requirements which are specifically prescribed in Chapters 9-112 and 9-104 of the Municipal Code of Chicago; and

WHEREAS, Section 9-112-060 (e) of the Municipal Code of Chicago allows the Commissioner to, by rule, require fleet owners of more than 15 licenses to provide vehicles equipped with wheelchair access; and

WHEREAS, Section 9-112-060 (h) of the Municipal Code of Chicago allows the Commissioner to, by rule, require fleet owners of more than 50 licenses to provide Alternative Fuel Vehicles.

WHEREAS, Section 9-112-300 of the Municipal Code of Chicago allows Advertising Displays only with a written permit from the Department of Consumer Services, these regulations explain the procedures and requirements to obtain an advertising display permit.

WHEREAS, In determining the type and location of allowable advertisements, the Commissioner is guided by concerns for aesthetics and visual clutter, safety and comfort of passengers, and maintaining the regulatory needs of identifying cabs and their availability from the public way; now, therefore,

I, NORMA I. REYES, Commissioner of Consumer Services of the City of Chicago, issue the following regulations pursuant to section 2-24-040 and Chapters 9-112 and 9-104 of the Municipal Code of Chicago.

TABLE OF CONTENTS

SECTION TITLE	PAGE
DEFINITIONS	4
SECTION I. LICENSEE REQUIREMENTS	5
SECTION II. VEHICLE REQUIREMENTS	6
SECTION III. ELECTRONIC EQUIPMENT	17
SECTION IV. WHEELCHAIR ACCESSIBLE VEHICLES	18
SECTION V. ALTERNATIVE FUEL VEHICLES	22
SECTION VI. CHANGE OF EQUIPMENT	22
SECTION VII. PUBLIC CHAUFFEURS	24
SECTION VIII. LEASED VEHICLES AND LEASE AGREEMENTS	27
SECTION IX. LICENSE RENEWALS	36
SECTION X. FORECLOSURE AND TRANSFER OF LICENSE	38
SECTION XI. SECURITY INTERESTS	41
SECTION XII. AFFILIATIONS	42
SECTION XIII. JITNEY SERVICE	43
SECTION XIV. ADVERTISING	44
SECTION XV. PENALTIES	50
SECTION XVI. NEIGHBORHOOD CABS	50
SECTION XVII. UNDERSERVED AREAS	53
SECTION XVIII. MISCELLANEOUS	54
SECTION XIX. PUBLIC SALE OF TAXICAB MEDALLIONS	56

Note: An asterisk (*) by any rule indicates that there is a corresponding or related rule for chauffeurs in the Rules and Regulations for Public Chauffeurs, separately published.

**RULES AND REGULATIONS
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DEFINITIONS

As used in these rules and regulations, the following terms are defined below. The use of masculine gender includes the feminine gender and vice versa, the singular includes the plural and the plural the singular.

All of the terms defined in Chapters 9-112 and 9-104 are incorporated into these rules and regulations.

“Affiliation” means an association of License Holders described in § 9-112-230 of the MCC.

“Alternative Fuel Vehicle” means a cab where the vehicle is an alternative fuel vehicle (AFV), as defined by the Energy Policy Act of 1992 (EPAAct), including any dedicated, flexible-fuel, or dual-fuel vehicle designed to operate on at least one alternative fuel. The alternative fuels include:

- a. Compressed natural gas (CNG)
- b. Biodiesel (B20 blend or higher)
- c. Propane
- d. Hydrogen
- e. Electricity

“Chauffeur” means a driver licensed as a public Chauffeur by the City of Chicago pursuant to Chapter 9-104 of the MCC, as amended.

“Commissioner” means the Commissioner of the Department of Consumer Services or her designee.

“Person” means any natural individual, firm, trust, partnership, association, joint venture, corporation or other legal entity, in his or its own capacity or as administrator, conservator, guardian, executor, trustee, receiver or other representative appointed by the court. Whenever the word "person" is used in any section of these Rules and Regulations prescribing a penalty or fine as applied to partnerships, associations or joint ventures, the word shall include the members thereof, and as applied to corporations shall include the officers, agents or employees thereof who are responsible for any violation of said section.

“Taxicab Medallion License Holder” or “Licensee” means the holder of a Taxicab Medallion License issued by the City of Chicago pursuant to the provisions of Chapter 9-112 of the MCC, as amended.

SECTION I. LICENSEE REQUIREMENTS

RULE 1.01 Indebtedness to City.

Applicants for a Taxicab Medallion License must submit an affidavit as required by Section 4-4-150 of the Municipal Code of Chicago (MCC), and may not be indebted to the City or have acquired outstanding parking violation complaints, except as permitted under that section. Applicants for a Taxicab Medallion License must submit an affidavit as required by Section 4-4-152 of the MCC.

RULE 1.02 Course of Study Required.

- a. All applicants for a new taxicab license, including licenses obtained pursuant to a transfer of a license as defined in Chapter 9-112 of the MCC, must have successfully completed the course of study mandated by §9-112-080(b)(5) of the MCC. In the event that the applicant is a corporation, an officer of the corporation completing the course shall satisfy this requirement. If the applicant is a partnership, a partner completing the course shall satisfy this requirement.
- b. If a license is held by a corporation or a partnership, and the person having completed the course required in §9-112-080(b)(5) of the MCC ceases to be an officer or a partner, the licensee shall have 60 days to have another person complete the course pursuant to Rule 1.02 (a).
- c. In the event that any licensee is found to have engaged in conduct in violation of any provisions of Chapter 9-112 of the MCC or these rules and regulations, the Commissioner may require the licensee or a specific officer or partner of the licensee to complete the required course again.

RULE 1.03 Approval of Course of Study.

Any person offering a taxicab licensee training course for which certification is required under §9-112-080(b)(6) shall submit to the Commissioner for her approval on an annual basis the following information no later than sixty (60) days prior to the date the course is to be offered:

- (1) The proposed curriculum and a detailed lesson plan. The minimum hours of instruction shall be 6.5 hours;
- (2) The names, addresses and qualifications of the teaching staff;
- (3) The location at which the instruction is to take place; and
- (4) The fee that will be charged for the course, including charges for materials, shall not exceed \$85.

RULE 1.04 Insurance.

Any licensee who fails to maintain insurance for a vehicle as required by §9-112-220 of the Municipal Code of Chicago shall be subject to a ten (10) day suspension of his Taxicab Medallion License for the vehicle and a fine of \$100. If

proof of insurance is not given to the Commissioner within such ten (10) days suspension period, the suspension shall continue and the Commissioner shall request revocation of the license.

RULE 1.05 Reporting Requirements.

- a. No later than May 1 of each year, all licensees must file annual financial statements for the preceding calendar year in the form required by the Commissioner. Included with the annual financial statement should be:
 - (1) A current copy of all lease forms used by the lessor;
 - (2) A current copy of all other forms used in connection with the leasing of taxicabs, including but not limited to, agreements relating to supplemental insurance, collision damage waiver, and vehicle lease agreements with an option to buy; and
 - (3) A list of all rates charged in connection with the leasing of taxicabs.
- b. Corporate groups with common ownership may file annual financial statements on a consolidated basis with the prior expressed approval of the Department of Consumer Services.
- c. Any subsequent changes in lease rates and forms filed with the annual financial statement must be filed with the Commissioner's office 15 days prior to the effective date of such changes.
- d. The Department of Consumer Services at its discretion may require additional financial information from any licensee or lessor at any time as may be necessary to review, and if necessary, revise the lease rate cap set by these rules and regulations to ensure that they are consistent with the requirements and objectives of §9-112-145 of the Municipal Code of the City of Chicago and to ensure compliance by such licensee or lessor with that section of the code and these rules and regulations. The Department may also examine the books, accounts, minutes and records of any licensee or lessor in relation to any filings submitted to the Department.

SECTION II. VEHICLE REQUIREMENTS

RULE 2.01 Authorized Vehicles.

- a. The following vehicles may be licensed as a taxicab:
 1. Any vehicle, having two doors on each side, which is classified as a "large car" (Interior volume index greater than or equal to 120 cubic feet.) or "large station wagon" (Interior volume index greater than or equal to 160 cubic feet.) as defined by the regulations of the Environmental Protection Agency in 40 CFR §600.315-82.

2. Upon written certification by the Commissioner that the vehicle meets appropriate safety and comfort standards, a van, as defined by the regulations of the Environmental Protection Agency in 40 CFR §600.315-82, as long as the van has at least two doors on each side.
 3. Upon written certification by the Commissioner that the vehicle meets appropriate safety and comfort standards, an “Alternative Fuel Vehicle” as defined in the Definition section of these Rules and Regulations and/or vehicles with a USEPA fuel efficiency rating of 30 city/34 highway miles per gallon or greater and classified as a “midsize car” (Interior volume index greater than or equal to 110 cubic feet but less than 120 cubic feet) or “midsize station wagon” (Interior volume index greater than or equal to 130 cubic feet but less than 160 cubic feet) as defined by the regulations of the Environmental Protection Agency in 40 CFR §600.315-82, as long as the vehicle has at least two doors on each side.
- b. New and/or replacement vehicles placed in service shall have leather or vinyl seats in all passenger areas.
 - c. No vehicle that has ever been issued the title class of either “salvage” or “rebuilt” in any jurisdiction will be approved for use as a taxicab.

RULE 2.02 Air Conditioning.

All taxicabs must be equipped with a permanently installed air conditioning system capable of reducing the interior temperature of the passenger section to sixty-eight degrees Fahrenheit.

RULE 2.03 Age of Vehicle.

- a. Effective June 1, 2007, any vehicle that has more than 150,000 miles will not be placed into service for the first time for use as a taxicab.
- b. No vehicle that is more than five model years old shall be licensed as a taxicab, except as otherwise provided in this rule. Effective June 1, 2007, no vehicle that is more than four model years old, shall be licensed as a taxicab, except as otherwise provided in this rule.
- c. A vehicle that is more than five model years old and not more than six model years old, and effective June 1, 2007, a vehicle that is more than four model years old and not more than five model years old, may still be licensed as a taxicab if:
 - (1) The vehicle is a long wheel base Ford Crown Victoria.
 - (2) The vehicle is a van authorized for use pursuant to Rule No. 2.03 of these rules and regulations; or

- (3) The vehicle is equipped as a wheelchair-accessible vehicle;
or
 - (4) The licensee owns or controls no more than one taxicab license and certifies that no person other than the licensee, the licensee's spouse or natural or legally adopted child of the licensee will operate the vehicle throughout the entire license period.
- d. A vehicle that is more than five model years old and not more than six model years old may still be licensed as a taxicab if the vehicle is an "Alternative Fuel Vehicle" as defined in the Definitions section of these Rules and Regulations.
 - e. Effective June 1, 2007, Taxicab Licensees with vehicles set to retire under paragraphs (b), (c), and (d) of the this Rule 2.03 may seek a one-year extension to the vehicle model year by submitting a written request to the Commissioner on a form provided by her. Requests will be granted based on a review of the vehicles' inspection records that indicates the vehicle has passed an inspection within sixty (60) days of the request and/or an additional passed inspection.
 - f. A vehicle that exceeds the age limitation prescribed by this rule must be replaced by February 28 the current licensing year. "Model year" means that year so designated in the vehicle manufacturer's certificate of origin or on the vehicle title issued by the Secretary of State.

RULE 2.04 Taxicab Medallion—Nontransferable.

Taxicab Medallion Licenses issued to applicants are issued for use only on specific vehicles registered with the Department of Consumer Services in the applicant's name and shall not be transferred to another vehicle unless a replacement is authorized by the Commissioner. See Section VI. Change of Equipment.

RULE 2.05* Metal Plate-Medallion.

All taxicabs shall have affixed to the exterior of the cowl or hood of the taxicab the metal plate issued by the Department of Consumer Services. Violation of the provision of §9-112-190 of the MCC as it relates to tampering, altering or reaffixing of the metal plate shall be cause for revocation of the violator's license in addition to any other penalties provided for by ordinance.

RULE 2.06* License Cards.

- a. All taxicabs licensed by the City of Chicago shall display a current Department of Consumer Services license card. Taxicabs shall display the license in a holder as required by § 9-112-210 of the MCC. In those vehicles equipped with the safety shield required by Rule 2.14 of these

Rules, the license holder shall be attached to the safety shield and positioned directly behind and above the driver's head. In those vehicles not equipped with such safety shield, the holder shall be attached to the dashboard of the vehicle or other prominent location in such a manner as to be directly visible to passengers in the rear seat of the vehicle. Light bulbs illuminating such license cards shall be of sufficient candlepower to make chauffeur's name and license numbers readable from the rear compartment.

- b. It shall be unlawful to display any signs or printed matter of any kind in or upon any taxicab licensed by the City of Chicago, except as provided in Chapter 9-112 of the MCC or upon written authorization by the Commissioner of Consumer Services or as required by controlling federal or state law.

RULE 2.07 License Number Required.

Each taxicab shall have its Taxicab Medallion License number painted or otherwise permanently affixed on (1) either both rear door panels or both rear panels if an advertising permit exists for the rear doors; (2) the left front of the hood; and (3) the right rear of the vehicle in plain gothic figures with at least ½ inch-wide stroke and 4 inches in height.

RULE 2.08 Information Sheet.

Every taxicab licensee shall display an informational sheet under clear lamination or plastic covering containing all information and in a format as directed by the Commissioner, permanently affixed to the back of the front seat, driver's side, in plain view of the passenger. The information sheet must contain the Taxicab Medallion License Number, written in plain gothic figures at least one inch in height and with a ¼ inch stroke. Photocopies of original information sheets may not be substituted for original information sheets provided by the Department of Consumer Services. Every taxicab licensee shall also permanently affix to either the back of the front seat passenger side headrest or the back of the front seat, passenger side, beginning no lower than three inches from the top of the front seat of the taxicab an information card, in both Braille and large print as prescribed by the Commissioner.

The fee for the information sheet is \$2.00 per sheet.

RULE 2.09* Limitation on Spot Lamps.

Pursuant to §9-76-060 of the MCC, no vehicle shall be equipped with more than one spot lamp. Each vehicle shall otherwise conform to §9-76-060 of the MCC.

RULE 2.10* Vehicle Inspections.

- a. Inspection required.

A Taxicab Medallion License holder shall deliver the vehicle for an inspection at such time and place as the Commissioner may designate. A Licensee who fails to bring his vehicle in for inspection as required by this rule, or to secure a rescheduled inspection date for good cause, shall be subject to a two-day suspension of his license and fine of \$300. In the case of a subsequent violation of this paragraph (a) the license shall be suspended until the licensee has brought the vehicle for inspection and the vehicle has passed the inspection.

b. Failed Inspections.

If a vehicle fails a required periodic inspection required by 9-112-050 of the MCC, the licensee must pay a re-inspection fee of \$50.00

RULE 2.11* Out-of-Service Vehicles-Notification-Surrender of license.

The Taxicab Medallion License holder shall notify the Commissioner in writing concerning the reason or reasons that cause any taxicab not to be operated for a period in excess of twenty (20) consecutive days. The notification shall list the Taxicab Medallion number, the location of the vehicle, and the date the vehicle will be returned to service. If a taxicab has been out of service for more than twenty (20) consecutive days, the Commissioner may give written notice to a licensee to return the vehicle to service. The failure to restore the vehicle to service within five (5) days after such notice may result in the revocation of the license. However, if the Taxicab Medallion License and/or the vehicle is the subject of a foreclosure action brought by a secured creditor pursuant to the Uniform Commercial Code, the Commissioner, upon receipt of written notification of such action, shall extend for an additional thirty (30) days the date by which the vehicle must be returned to service.

RULE 2.12* Accident Reports.

Whenever a licensed taxicab is involved in a traffic accident requiring an accident report, copies of the report shall be kept on file by the License Holder and made available to the Commissioner upon request.

RULE 2.13* Vehicles Unfit for Public Use.

- a. All vehicles licensed by the City of Chicago shall be kept in an undamaged and safe condition. The violation of the “safe condition” requirement of this subsection (a) shall be an aggravated offense.
- b. No vehicle licensed by the City of Chicago shall be operated to solicit or accept passengers unless it is in a clean condition. Minimum standards of cleanliness include, but are not limited to:
 1. The interior of the vehicle (including the trunk) shall be kept free from all waste paper, cans, garbage, or any other item not intrinsic to the vehicle or to the conduct of operating a taxicab;

2. The interior of the vehicle (including the trunk) shall be kept free from all dirt, grease, oil, adhesive resin, or any other item which can be transferred onto the person, clothing or possessions of a passenger by incidental contact;
 3. The interior of the vehicle shall be kept free of any material which a reasonable person would find noxious or unpleasant; and
 4. The exterior of the vehicle shall be kept free from all dirt, grease, oil, or any other substance besides water or snow which can be transferred onto the person, clothing or possessions of a passenger by incidental contact. It shall be an affirmative defense to any violation of the vehicle's exterior cleanliness standard if the person(s) charged with the offense can conclusively establish that the exterior of the vehicle was washed within the twenty-four hour period preceding the alleged violation.
- c. In the event that the Department of Consumer Services receives three (3) complaints in any twelve-month period regarding the cleanliness, condition, and/or safety of a taxicab, the Department will call for an unscheduled inspection of the vehicle. If the vehicle fails to meet the requirements of paragraph (b) of this Rule:
1. The taxicab medallion will be suspended for five (5) days.
 2. The Licensee must pay the failed inspection fee pursuant to Rule 2.10.
 3. Upon completion of the five-day suspension required by paragraph (c) (1) of this Rule, the Licensee must schedule a subsequent inspection within three days. The Department must give priority to scheduling re-inspections under this Rule by scheduling a re-inspection no later than one (1) day after the request is made.
 4. The Taxicab Medallion License will be suspended until such time that the vehicle passes the subsequent inspection.
 5. A Licensee who fails to bring his vehicle for inspection as required by this rule, or to secure a rescheduled inspection date for good cause, shall be penalized as set forth in Rule 2.10 of these Rules and Regulations.
- d. It is the affirmative duty of the Taxicab Medallion Licensee to insure that his/her vehicle(s) are in compliance with this rule, regardless of whether or not the vehicle is operated pursuant to a lease.

RULE 2.14 Vehicle Safety Feature Equipment.

- a. Every taxicab, as a condition of licensing or renewal of licensing must be equipped with one (1) of the following safety features or combination of safety features, unless the taxicab is exempt under the provisions of paragraph (b) of this rule below:

- 1. Safety Shield.

- a. A safety shield device capable of completely separating the driver's seat from the rear passenger compartment. This shield shall be comprised of a solid metal sheet of 14 gauge steel, or of at least ½" thickness if comprised of other metal, extending upward on the back of the front seat of the vehicle from a point no further than 3" off the interior floor of the vehicle to the top of the rear of the driver's seat (not including any head rests) and a transparent partition comprised of a polycarbonate material not less than 3/8" thick and coated with a scratch resistant material extending upward on the back of the front seat from the metal covering to the ceiling of the vehicle. All solid metal sheeting shall be covered by an opaque padded material of at least ½ inch thickness matching the color scheme of the interior of the vehicle.
- b. There shall be a baffle plate in the lexan, margard or polycarbonate partition consisting of six holes, no more than two inches in diameter. The baffle plate shall be located no more than two inches from the ceiling of the vehicle and centrally located on the horizontal plane of the partition.
- c. There shall be a money slot centrally located on the horizontal plane of the partition and no more than 4" high and 5" wide.
- d. Shields may be designed or installed in such a manner to allow the driver, at his sole discretion, to fully or partially open the shield as long as the driver has the capability to fully close the shield at any time and the shield fully complies with the specifications above when it is closed.
- e. To accommodate re-installation of the safety shield device in subsequent vehicles licensed by the licensee, ½ inch thick metal may be substituted for the 3/8 inch thick lexan, margard or polycarbonate, and vice versa, to a tolerance of 2 inches along the perimeter of the safety shield device.
- f. There must be a minimum of 8.5 inches of clearance between any part of the rear seat in the vehicle and any part of the safety shield device at all times.

- 2. Security Camera.

Any security camera system installed in the vehicle, in addition to minimum technical specifications outlined below, must

- (1) Be 100% solid state design and must be designed to operate using a standard 12 volt battery;
- (2) Be tamperproof and not operate with an “on/off” switch;
- (3) Have system protections to ensure against voltage irregularities and power failures;
- (4) Use non-volatile flash memory and record images using a first-in, first-out methodology, with a overwrite-protected memory for emergency events that cannot be overwritten;
- (5) Be impact and shock resistant;
- (6) Clearly record images in all lighting conditions, including bright sunshine, shade, darkness, total darkness, and when strong backlighting is present;
- (7) Mark each image with the date, time, and vehicle number, and serial number of the camera;
- (8) Be stored as or convertible to standard digital image formats;
- (9) Must have a field of vision to capture all of the occupants of the vehicle;
- (10) Be installed so that it will not interfere with the driver’s field of vision or impede the use of any of the vehicle’s mirrors; and
- (11) Must have all lead-free components.

a. Technical Specifications

(1) Cameras designed to capture still or video digital images must be designed to meet the following minimum standards:

- (a) Must have 1 GB memory;
- (b) Must record images at a resolution of at least 640 x 368 pixels;
- (c) In an emergency-trigger event, system must be able to store 2.5 minutes worth of images prior to the trigger and 2.5 minutes after the trigger in an overwrite-protected

format. Still image cameras must be equipped with an emergency trigger that will record images at the rate of 1 image per second for 60 seconds.

(2) Image Recording Triggers

(a) Still image recording must be triggered by any vehicle door opening. Upon the trigger, still images must be recorded at a rate of 1 image every 5 seconds for 60 seconds, followed by 1 image every 15 seconds.

(b) Video images must be recorded on a looping basis, and image storage must be triggered by any vehicle door opening. Upon the trigger, video images must be recorded for 60 seconds prior to the door opening and 60 seconds after the door is closed;

b. Passenger Signage

All vehicles equipped with a security camera system must have a decal on the passenger and driver side rear windows stating, "This vehicle is equipped with a security camera."

c. Use of images

Access to any recorded image of persons in a taxicab is prohibited except by the Department of Consumer Services or the Chicago Police Department.

d. Inspections

Camera systems must have the capability for inspection of the equipment that will indicate the system is functioning properly. The serial number of the camera must be viewable to the inspector.

The Department of Consumer Services may also inspect the viewing facilities of the owner or licensed manager and may ask for verification of viewing logs and/or all other documentation and equipment.

e. Driver Behavior Modification Features

Owners or licensed managers may view images from outward facing cameras only. Cameras should be positioned such that the perspective is outward and over the vehicle's hood. The images will be created and stored by vehicle movement triggers such as sharp turns, sharp stops, or quick accelerations for the purposes of driver education and modification of driver behavior.

The viewing of all images must be logged electronically and the electronic log provided on a quarterly basis to the Department of Consumer Services.

The Commissioner may view any reports and images associated with driver behavior upon request.

f. Approved Camera Systems

Only camera systems approved by the Department of Consumer Services may be installed. To submit a system for approval, the vendor must

- Submit a request in writing and provide written technical specification of the system; and
- Provide a demonstration of the product and all of its features to the Department of Consumer Services.

After reviewing the technical specifications and viewing the demonstration, the Department of Consumer Services will respond directly to the vendor in writing within 30 days of the demonstration stating if the system has been approved for use in the City of Chicago. The Department will then publish a list of approved systems by vendor.

- b. The requirements of this rule do not apply to a licensee who owns or controls no more than one taxicab license and who certifies that no person other than the licensee, the licensee's spouse or a natural or legally adopted child of the licensee will operate the taxicab throughout the entire license period. For the purposes of this rule, if a license is under a corporate name, the president of the corporation will be considered the licensee for determining whether the limited number of persons operating the taxicab exempt the taxicab from implementing the safety features above. However, if a licensee who owns or controls no more than one taxicab chooses to install a security camera or safety shield, the licensee must comply with this rule.
- c. The equipment required by this rule shall be maintained in good working order at all times. If a licensee changes his equipment, he must notify the Commissioner of Consumer Services within 24 hours and his taxicab will be reinspected to ensure compliance with this rule. If a licensee exempt under paragraph (b) above wishes to have someone other than the licensee, a spouse, or natural or adopted child operate the taxicab, the licensee must notify the Commissioner of Consumer Services of his or her intent to do so and which safety features he will adopt for his taxicab.

- d. Any licensee may seek the approval of the Commissioner of Consumer Services for the substitution of an alternative safety feature program for taxicabs. An application for said approval must be submitted in writing to the Commissioner of Consumer Services, who has the discretion to approve the alternative safety feature on the basis of whether it provides at least as much protection as the systems described in paragraph (a) of this rule.
- e. Every licensee shall file, on a form designated by the Commissioner of Consumer Services, a detailed description of the safety features to be installed in his/her taxicabs. This form shall be submitted at the time of licensing, renewal of licensing, and whenever there is a change of the safety features to be used in the cab.
- f. No licensee may charge a fee or add a surcharge to a public chauffeur's lease for the security device. Nor may the licensee in any other way charge the driver for the security device.

RULE 2.15 Top Lights.

- a. Except for vehicles that have received an exterior advertising permit for a roof-top advertising display device, all taxicabs shall be equipped with a top light affixed to the exterior roof of the taxicab. The top light shall consist of three sections. The central section shall be white and inscripted in black plain block numbers at least four inches in height with ½ inch stroke indicating the medallion number of the taxicab to which the top light is affixed. The left and right sections shall be identical to each other and shall be black.
- b. The top light shall be no less in size than 25 inches across, 3 inches deep, and 5 inches high, and no more in size than 33 inches across, 4½ inches deep, and 6 inches high.
- c. The top light, when lit, must be visible at 300 feet in normal sunlight.
- d. The top light shall be installed and maintained in such manner that the top light will automatically be lit when the taximeter is not activated and the top light will automatically be unlit when the taximeter is activated. Each taxicab must be equipped with a driver-operable switch that will enable the driver to manually turn on and off the top light.

RULE 2.16* Taximeter.

- a. No taxicab shall be leased or operated unless it is equipped with a taximeter which accurately registers the rates and charges authorized by the Municipal Code of the City of Chicago.

- b. No taxicab shall be leased or operated unless it is equipped with a taximeter that has been sealed by the Department of Consumer Services or an establishment specifically approved in writing by the Department of Consumer Services to test and seal taximeters.
- c. All taximeters shall be calibrated, tested and sealed pursuant to the most current edition of the National Institute of Standards and Technology (NIST) Handbook 44.
- d. No taxicab shall be leased or operated if the taximeter is constructed, or in any way altered, such that the taximeter may be recalibrated without removing or breaking the seal.
- e. No taxicab shall be leased or operated unless the equipped taximeter is registered with the Department of Consumer Services for that taxicab and the serial number on the taximeter is identical to the serial number listed on the reverse side of taxicab medallion's license card.
- f. No taxicab shall be leased or operated with more than one taximeter in the vehicle.
- g. No taxicab shall be leased or operated if the taximeter for that vehicle or its seal has been broken, mutilated or tampered with in any way.

RULE 2.17 Receipt Dispensing Taximeter.

Taxicabs equipped with a receipt dispensing taximeter shall dispense a receipt with following information:

- (1) Cab number
- (2) Date of trip
- (3) Time of trip
- (4) Fare charges
- (5) Extra charges
- (6) Total charges
- (7) The words "Department of Consumer Services Call 311"

Rule 2.18 Taxicab Fuel Surcharge Signage.

- a. In the event that the Commissioner authorizes a taxicab fuel surcharge as authorized under Section 9-112-510 of the MCC, every taxicab licensee shall display informational signage provided by the Commissioner. The signage shall be affixed to the back of the front seat, in plain view of the passenger and directly to the right of the information sheet described in Rule 2.08 above. The sign will reflect the proper surcharge and will contain the following information:

BY ORDINANCE THE CITY OF CHICAGO HAS AUTHORIZED A FUEL SURCHARGE OF \$1.00 TO BE ADDED TO TAXIMETER FARES.

OR

BY ORDINANCE THE CITY OF CHICAGO HAS AUTHORIZED A FUEL SURCHARGE OF \$0.50 TO BE ADDED TO TAXIMETER FARES.

A fuel surcharge shall not be charged unless the signage is in full view of the passenger. Upon the expiration of the fuel surcharge the signage must be immediately removed by the taxicab licensee.

- b. The Taxicab Medallion License Holder must affix the proper surcharge signage in each vehicle and must remove the signage upon the expiration of the surcharge. Licensees who fail to affix the proper signage or remove signage as required by the Commissioner shall be subject to fines of not less than \$100 nor more than \$500 per offense. Each day that a situation exists will constitute a separate offense.
- c. The fee for the informational signage is \$1.00 per sign.

SECTION III. ELECTRONIC EQUIPMENT

RULE 3.01 Credit Card Transactions.

- a. All taxicabs shall be equipped with a taximeter or electronic equipment, approved by the Commissioner, which is capable of accepting as payment for fares all major credit cards, debit cards, computer-chip-based or magnetic-strip-based smart cards, and other electronic methods of payment.
- b. Any license holder applying for approval of a taximeter or electronic equipment under this rule shall: (1) submit to the Commissioner both the specifications for the taximeter or electronic equipment and a detailed written description of the capabilities of the equipment; (2) submit to the Commissioner a complete and accurate statement of all costs associated with such equipment (e.g., capital, installation, maintenance, operational); and (3) provide a demonstration of the taximeter or electronic equipment in operation. If the taximeter or other equipment directly or indirectly collects or transmits information about an individual passenger using an alternative method of payment, that capability must be disclosed in detail.
- c. Credit card processing is governed by Rule 5.3 of the Rules and Regulations for Affiliations.
- d. Except for the express and limited purpose of fare collection, no information collected or transmitted by an affiliation, radio dispatch service, cab company, or management company regarding an individual

passenger using an alternative method of fare payment may be disclosed to any person without that passenger's informed consent.

- e. Public Passenger License Holders and Public Chauffeurs operating their vehicles must accept credit cards in payment of taxicab fares. No surcharge may be imposed upon the use of a credit card so that the total charge exceeds the legal rate of fare; no minimum charge may be imposed for the use of a credit card to pay a fare; and no service may be refused to any person desiring to use a credit card on any grounds, including that a trip will not exceed a minimum length or generate a minimum fare.

RULE 3.02 Reserved.

NOTE: Global Position System (GPS) are required in all taxicabs beginning January 1, 2007. This section is reserved for regulations regarding the specifications and installation of GPS.

SECTION IV. WHEELCHAIR ACCESSIBLE VEHICLES

RULE 4.01 Wheelchair-accessible Fleet Requirements.

Effective September 1, 2007 each Taxicab Medallion License Holder, who as of April 1, 2006, owns or controls between 15 Taxicab Medallion Licenses and 49 Taxicab Medallion Licenses shall license as a taxicab at least one vehicle equipped for wheelchair access pursuant to the standards set forth in Rule 4.02 below. Each Taxicab Medallion License Holder, who as of April 1, 2006 or subsequent to that date, owns or controls between 50 Taxicab Medallion Licenses and 74 Taxicab Medallion Licenses shall license as a taxicab at least two vehicles equipped for wheelchair access pursuant to the standards set forth in Rule 4.02 below. For each 25 additional taxicab medallions owned or controlled, the medallion holder must license as a taxicab at least one vehicle equipped for wheelchair access pursuant to the standards set forth in Rule 4.02 below.

For purposes of this rule, if more than one corporate licensee is controlled by the same person, or where the same person owns 25 percent or more of the stock in more than one corporate licensee, the total number of taxicab licenses that are so controlled or owned by the person shall be counted together in determining the requirements of this section. In the event that a taxicab medallion holder obtains an additional license(s) which would require that an additional vehicle(s) be equipped for wheelchair access, such action shall be taken simultaneously with the issuance of the additional license(s) to the taxicab medallion holder.

To the extent that this rule requires a person, who owns or controls 15 or more Taxicab Medallion Licenses, to purchase more than 5 wheelchair accessible taxicabs by September 1, 2007, such person may request that the Department allow an adequate amount of time for the purchase of that person's required

number of wheelchair accessible taxicabs until the person meets the obligations under this rule.

RULE 4.02 Wheelchair-accessible Vehicle Specifications.

Specifications of all wheelchair accessible vehicles to be licensed must be pre-approved by the Commissioner to ensure that:

- (1) The prospective passengers in wheelchairs may safely and expeditiously enter and exit the vehicles directly from the curb (“curb-to-curb service”);
- (2) The vehicle is equipped with “securement devices” to ensure that the wheelchair will be safely secured when the vehicle is in motion; and
- (3) The vehicle is equipped with “seat belt and shoulder harnesses” to ensure that passengers will be safely secured when the vehicle is in motion.

In determining a vehicle’s ability to provide “curb-to-curb service” and provide for both securing the wheelchair and passenger, the review of the specifications and inspection of the vehicle shall be conducted to ascertain compliance with the Americans with Disabilities Act Accessibility Guidelines for Transportation Vehicles, 36 CFR Part 1192, specifically paragraphs (c)-(d) of § 1192.23, § 1195.25, §1192.29, and §1192.31. Only vehicles with a ramp located on the passenger (right) side of the vehicle will be licensed as wheelchair accessible taxicabs.

RULE 4.03 Wheelchair-accessible Vehicle Driver Training Requirements.

- a. Prior to licensing or renewing the license of a wheelchair accessible vehicle as a taxicab, a licensee must file a lesson plan, approved by the Commissioner, for a course in which the licensee or his agent will train chauffeurs in the proper operation of the wheelchair accessible vehicle. Licensees who will have their drivers’ wheelchair accessible training conducted at Harold Washington College need only submit a written statement to that effect. The course shall include instruction on how to operate the ramp, “securement devices,” “seat belt and shoulder harnesses” and other required equipment of the wheelchair accessible vehicle; how to inspect and determine if the required equipment is in proper working condition; and protocols for accepting and discharging disabled passengers.
- b. At the time of licensing and renewing a wheelchair accessible vehicle, the licensee must provide to the Commissioner a list of at least two licensed public chauffeurs per wheelchair accessible vehicle who have completed the course of instruction provided in paragraph (a) above and are available to operate the vehicle.

- c. No licensee shall allow a wheelchair accessible vehicle licensed as a taxicab to be operated by any person who is not qualified to participate in CTA-TAP and has not completed the course of instruction in paragraph (a) of this rule.

RULE 4.04 Wheelchair-accessible Vehicle Radio Dispatch Requirements.

- a. Every wheelchair accessible vehicle licensed pursuant to these rules shall be equipped with two-way radio dispatch equipment which shall allow the dispatching of the vehicle by a coordinated or centralized dispatch system approved by the Commissioner. Each wheelchair accessible taxicab shall be equipped with dispatch equipment incorporating a satellite-based computerized navigation system which provides information to the dispatcher of the exact street location of each vehicle within a 200 foot tolerance.
- b. The owner of each wheelchair accessible taxicab is required to insure that all radio dispatch equipment (including the navigation system) for the wheelchair accessible taxicab is in proper working condition and activated at all times when the wheelchair accessible taxicab is in operation.
- c. No taxicab medallion holder shall lease his or her wheelchair accessible taxicab to a public chauffeur unless the public chauffeur has already signed an agreement with licensee, whereby the public chauffeur acknowledges that he or she has an affirmative duty to keep his or her radio dispatch equipment (including the navigation system) activated and audible at all times, that he or she has an affirmative duty to give priority to passengers needing a wheelchair accessible taxicab for reasons of disability over all other passengers; and that he or she has an affirmative duty to respond in a timely manner to any and all requests for service assigned to him or her by the centralized or coordinated dispatch service to which the wheelchair accessible taxicab subscribes.
- d. It is a rebuttable presumption that any medallion holder whose chauffeur is convicted of refusing a customer is also liable for the refusal. Such presumption may be rebutted by respondent medallion holder by his or her submission of documentary evidence which demonstrates that he or she, prior to the incident for which the chauffeur is found liable of refusal, had monitored the performance of the chauffeur and such performance indicated that the chauffeur had transported passengers needing transportation in a wheelchair accessible vehicle to an extent equal to or in excess of both regulatory requirements and industry averages.
- e. Every month, each wheelchair accessible taxicab shall comply with both of the following standards regarding the transportation of customers needing transportation in a wheelchair accessible taxicab, who have requested through a centralized or coordinated dispatch service:

1. The wheelchair accessible taxicab transports customers, who need transportation in a wheelchair accessible taxicab and who have requested such transportation through a centralized or coordinated dispatch service, a number of times equal to four trips per day for that month; and
2. The wheelchair accessible taxicab transports customers, who need transportation in a wheelchair accessible taxicab and who have requested such transportation through a centralized or coordinated dispatch service, a number of times equal to the total number of requests for wheelchair accessible taxicab service received by the coordinated or centralized dispatch service to which the taxicab is a subscriber divided by the total number of subscribers. While transportation of customers in wheelchair accessible taxicabs who obtained service either by street-hail or by means of pre-arrangement between the driver and customer without the use of the coordinated or centralized dispatch may be counted for purposes of determining whether or not the chauffeur has met his or her one-call-per-day obligations required in §9-112-215 of the MCC, only trips provided pursuant to requests made through a coordinated or centralized dispatch service shall not be counted in determining a wheelchair-accessible taxicab licensee's compliance with this paragraph. Every licensee shall submit documentation establishing compliance with this paragraph within two business days of a request being made by the Department of Consumer Services. The requirements of this section apply regardless whether the vehicle is in service or leased, unless the Department is informed in writing that the vehicle is out of service and the medallion surrendered to the possession of the Department for the duration of the time the vehicle is out of service..

RULE 4.05 Penalties.

Licensees found liable for violating any provision of Section IV of these Rules and Regulations shall be fined:

- a. Not less than \$200 nor more than \$750 and/or a suspension of up to fourteen (14) days for the first offense within the past thirty-six months;
- b. Not less than \$350 nor more than \$750 and/or a suspension of no less than seven (7) days and no more than twenty-one (21) days for the second offense within the past thirty-six months; and
- c. Not less than \$500 nor more than \$750 and/or a suspension of no less than fifteen (15) days and no more than twenty-nine (29) days for the third offense within the past thirty-six months; and
- d. Any licensee who is found liable a third time within a twelve month period shall have his or her license revoked.

RULE 4.06 Inspection Scheduling—Priority.

Wheelchair accessible taxicabs shall be given priority at the Department of Consumer Services Vehicle Inspection Facility when reporting for scheduled inspections.

SECTION V. ALTERNATIVE FUEL VEHICLES

RULE 5.01 Alternative Fuel Fleet Requirements.

Effective July 1, 2007, each taxicab medallion holder, who as of April 1, 2006 or subsequent to that date, owns or controls at least 50 taxicab medallions, shall license as a taxicab at least one “Alternative Fuel Vehicle” as defined in the Definitions section of these Rules and Regulations.

For purposes of this rule, if more than one corporate licensee is controlled by the same person, or where the same person owns 25 percent or more of the stock in more than one corporate licensee, the total number of taxicab licenses that are so controlled or owned by the person shall be counted together in determining the requirements of this section. In the event that a taxicab medallion holder obtains an additional license(s) which would require that an additional vehicle(s) be equipped for wheelchair access, such action shall be taken simultaneously with the issuance of the additional license(s) to the taxicab medallion holder.

SECTION VI. CHANGE OF EQUIPMENT

RULE 6.01* Documents Required.

The following documents shall accompany any request for changes of equipment:

- (1) Title of vehicle or manufacturer's certificate of origin;
- (2) Proof of City Sticker purchase;
- (3) Taxicab Medallion License card;
- (4) Insurance certificate; and
- (5) Processing fee.

RULE 6.02* Requesting Change of Equipment.

- a. All requests for change of equipment shall be made at least five (5) days prior to a previously scheduled inspection.
- b. Any change of equipment request made less than five (5) days prior to the scheduled inspection date will result in a rescheduled inspection on the next available date.

RULE 6.03* Change of Equipment Inspection Scheduling.

Change of equipment requests for vehicles currently scheduled for inspection will be processed in the following manner:

- a. If the replacement vehicle is less than two (2) model years old, including the current licensing year, the originally scheduled inspection will be canceled upon satisfactory inspection of the replacement vehicle.
- b. If the replacement vehicle is more than two model years old, including the current licensing year, and such request is made within sixty (60) days of the currently scheduled inspection date, the originally scheduled inspection date will be canceled upon satisfactory inspection of the replacement vehicle.
- c. If the replacement vehicle is more than two model years old, including the current licensing year, and the scheduled inspection date is more than sixty (60) days following the date of request, the originally scheduled inspection date will remain in effect.

RULE 6.04 Retired Vehicles.

Upon replacement of any taxicab, the License Holder shall take such steps as necessary to eliminate the risk that the replaced vehicle could be mistakenly perceived as a taxicab. Such steps shall include, but are not limited to, causing the insurance emblem and the license card to be removed from the replaced vehicle. In addition, the License Holder shall cause to be removed the roof light, taximeter and connecting cables, the metal medallion and other insignia identifying the vehicle as a taxicab, and if such identifying insignia are not removable, they shall be completely painted over by the License Holder.

RULE 6.05 Change of Equipment—Medallion Removal.

- a. Tampering, altering or reaffixing the medallion is cause for revocation of the violator's Taxicab Medallion License in addition to any other penalties provided for by ordinance. However, pursuant to §9-112-190 and §9-112-200 of the MCC, a Taxicab Medallion Licensee may remove the metal medallion from a retired vehicle only after it has been removed from service and only for the purpose of bringing the metal medallion to the Change of Equipment Inspection.
- b. The Licensee must present the metal medallion at the time of inspection, or, if the Licensee does not present the metal medallion at the time of inspection, the new vehicle will be considered as failing to appear for the scheduled inspection, subject to Rule 2.10(a) of these Rules and Regulations.

- c. If the Licensee fails to appear for a scheduled Change of Equipment Inspection, the medallion will be deemed surrendered and immediately subject to revocation.

SECTION VII. PUBLIC CHAUFFEURS

RULE 7.01* Chauffeur's License Required.

- a. No person other than a driver licensed by the City of Chicago as a Public Chauffeur shall be permitted to operate a taxicab for hire.
- b. It shall be the duty of the Taxicab Medallion License Holder to ascertain that any driver of his vehicle has in his possession a current and valid Illinois State driver's license and a current and valid City of Chicago Public Chauffeur's License.
- c. The Taxicab Medallion License Holder shall keep accurate written records indicating the chauffeur's name, chauffeur's license number and Taxicab Medallion number of the vehicle the chauffeur will operate.
- d. If any licensee knowingly permits a person to operate a taxicab, unless that person has a valid City of Chicago Public Chauffeur License, Taxicab Medallion License for that vehicle shall be subject to revocation.

RULE 7.02 Liability for Actions of a Public Chauffeur.

- a. Subject to the exemption in paragraph (b) of this Rule, a licensee whose taxicab is operated by a public chauffeur found in violation of Chapters 9-104 or 9-112 of the Municipal Code of Chicago or the rules and regulations promulgated thereunder, shall be subject to fine, or license suspension, or both, for subsequent violations of the same ordinance or rules by the same chauffeur.
- b. In the event that a public chauffeur is found to have violated any provision of Chapters 9-104 or 9-112 of the Municipal Code of Chicago, or any rules and regulations promulgated thereunder, while operating a licensee's vehicle, the licensee shall not be liable under paragraph (a) of this section for the first subsequent violation by the chauffeur of the same ordinance or rule, provided that the offense involved does not involve refusal of service and that the chauffeur, after the first offense and prior to the subsequent offense, has completed a retraining course, approved by the Commissioner, at the Licensee's expense.

RULE 7.03 Responsibility for Continuing Chauffeur Training.

- a. No taxicab licensee shall lease or otherwise allow any person to operate a taxicab unless the person authorized to operate the taxicab has presented

documentation that he has completed, within the past 24 months, a continuing public chauffeur retraining program, approved and in compliance with reasonable standards established by the Commissioner.

- b. Completion of the continuing public chauffeur retraining program shall be in addition to any other training program which the public chauffeur is required to complete pursuant to being found liable for a violation of Chapters 9-104 or 9-112 of the Municipal Code or the rules and regulations promulgated thereunder.
- c. Fees for completion of the public chauffeur retraining program shall be assessed to taxicab licensees as follows:
 1. Subject to the exceptions in subparagraphs (2) through (4) immediately below, the fee for a public chauffeur's participation in a retraining program shall be paid by the taxicab licensee who has leased his taxicab to the public chauffeur for the most number of days during the period between January 1, 2001 and the date the public chauffeur takes the course.
 2. A taxicab licensee who ceases to lease to a public chauffeur immediately upon being notified that the public chauffeur has been charged with or has been found liable of refusal of service, verbal or physical assault, or overcharging shall not be liable for the payment of the public chauffeur's fees for the public chauffeur retraining course. Such cost shall be borne by the taxicab licensee who subsequently leases or wishes to lease his vehicle to said chauffeur.
 3. In the event that a public chauffeur does not attend or complete a retraining course after a taxicab licensee schedules the public chauffeur to attend the course, gives the public chauffeur 14 days' advance notice to attend the course, and pays a non-refundable fee for the chauffeur to attend such course, the taxicab licensee shall not be liable for payment of subsequent fees for the public chauffeur to take the course. The taxicab licensee, however, may not lease a taxicab to the public chauffeur until such time as the chauffeur can present evidence that he has completed the course. In the event that a public chauffeur has not leased a taxicab from any taxicab licensee otherwise required to pay the cost of continuing chauffeur training, the cost of such training shall be paid by the taxicab licensee wishing to lease the taxicab to the public chauffeur.

RULE 7.04 Provision of Service to Underserved Areas; Nondiscrimination.

- a. All taxicab licensees have an affirmative duty to insure that any public chauffeur operating their vehicle have its two-way radio dispatch system activated to a level which is readily audible to the driver.

- b. No taxicab licensee shall lease his or her vehicle to a public chauffeur unless the public chauffeur has already signed a prelease agreement on the form designated by the Commissioner whereby the chauffeur acknowledges that he is required:
- (1) To accept passengers requesting service and may not refuse or deny service to or in any other way discriminate against individuals based on individual's race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income, nor based on the geographical location of either the origination or destination of the fare;
 - (2) To transport passengers with service dogs;
 - (3) To keep his radio dispatch equipment on and audible at all times when operating the taxicab;
 - (4) To respond in a timely manner to radio dispatch requests for service and to convey the passengers requesting transportation originating from an underserved area to their destination at least once during each lease of twenty-four hours or less, or at least seven times during each weekly lease; and
 - (5) To record, and make available to the Commissioner for inspection upon request, the name, address and telephone number of each passenger requesting transportation originating from an underserved area to their destination; and to maintain and provide upon the Commissioner's request such other written records as will show compliance with the underserved area requirement of this Rule.

RULE 7.05* Discrimination Prohibited.

There shall be no discrimination against any driver duly licensed by the City of Chicago as a chauffeur because of the individual's race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income.

RULE 7.06 Prohibition on Retaliatory Conduct by Taxicab Medallion License Holder.

A Taxicab Medallion License Holder may not refuse to hire, enter or renew a lease agreement with, or in any way take adverse action against a public chauffeur because the chauffeur has in good faith:

- (1) Complained to the Department of Consumer Services, or any other competent government agency, that a vehicle used to transport passengers unsafe, unlicensed, or in any other way, violative of the Illinois Vehicle Code, the Municipal Code of Chicago, or these Rules and Regulations; or
- (2) Complained to the Department of Consumer Services that the taxicab medallion holder, or his representative, has engaged in

- conduct violative of the lease rate ordinance (§9-112-145 MCC and/or Section VIII of these Rules and Regulations); or
- (3) Complained to the Department of Consumer Services that the public passenger vehicle license holder has engaged in any other conduct violative of state law, the municipal code, or these rules and regulations.

SECTION VIII. LEASED VEHICLES AND LEASE AGREEMENTS

RULE 8.01 Taxicab Lease Definitions.

- a. "Taxicab lease" means a written contract between the licensed owner of a City of Chicago taxicab medallion ("lessor") and a City of Chicago licensed public chauffeur ("lessee") authorizing the use of the medallion and, if applicable, a taxicab vehicle, by that chauffeur for a specific period of time.
- b. "Lease rate" means the total amount of money, including taxes, to be paid to the lessor by the lessee pursuant to a taxicab lease for the rental of a medallion and, if applicable, the taxicab vehicle.
- c. "Maximum lease rate," "Cap" or "Lease rate cap" means the maximum amount of money which may be charged by the lessor to the lessee pursuant to a taxicab lease for the rental of a medallion and, if applicable, a taxicab vehicle.
- d. "12-hour lease" means a taxicab lease for a duration of 12 hours.
- e. "24-hour lease" means a taxicab lease for a duration of 24 hours. Two consecutive 12-hour leases shall be considered a 24-hour lease in the application of this rule.
- f. "Weekly lease" means a taxicab lease for a duration of seven consecutive days.
- g. A lease "including repairs and maintenance" means that the lessor is responsible for the costs of all repairs and maintenance of the taxicab. If a lease includes repairs and maintenance, the lessee shall not be liable for and shall be entitled to a prorated refund of any prepaid lease amount for any time when the lessee is without a vehicle in proper condition to transport passengers. Leases for a term of less than one week must be leases including repairs and maintenance.
- h. A lease "excluding repairs and maintenance" means that the lessee is responsible for costs of all repairs and maintenance of the taxicab necessary to keep the taxicab operational for the duration of the lease.

Leases excluding repairs and maintenance must be of at least one week duration.

- i. A "medallion-only lease" is a lease where the lessee either has an ownership interest in the vehicle licensed as the taxicab or has entered into a contract for the lease of the vehicle licensed as the taxicab with the option to purchase it. Medallion only leases must be of at least one week duration.
- j. A "bond" is an amount of money given by the lessee to the lessor to ensure compliance with certain provisions of the taxicab lease.
- k. "New vehicle" means an unused vehicle purchased new by the lessor, provided, however, that a vehicle may not have new vehicle status for more than twelve months.
- l. "Invested capital" may include, but is not limited to, the prudent cost of acquiring the vehicle plus required capital costs, such as the taximeter, radio, paint, safety equipment, prepaid license fee and other such taxicab capital costs.
- m. "Reasonable expenses" may include, but are not limited to, prudently incurred expenses relating to public vehicle insurance, depreciation on taxicabs, maintenance and uninsured repairs, affiliation fees and/or dispatch costs, vehicle taxes and fees, other vehicle operating costs, and non-vehicle costs such as salaries and wages, garage expenses, office expenses, property and administrative costs.

RULE 8.02* Agreements to be Written.

All lease agreements between Taxicab Medallion License Holders or affiliations (Lessors) and the Public Chauffeurs of taxicabs (Lessees) shall be in writing and shall include the following:

- (1) The name, address, Taxicab Medallion License number and 24-hour telephone number or the Lessor;
- (2) The name, address and Chicago Chauffeur's License number of the Lessee to whom the vehicle is assigned;
- (3) The term of the lease, including the beginning and expiration dates and times;
- (4) The obligations of the Lessor for maintaining the safety of vehicle; and
- (5) The amount of money paid by the lessee for the lease, including all incidental charges. No Lessor may require any Lessee to lease any vehicle for more than a 24-hour period at one time.

RULE 8.03 Lease Agreement Records.

All Taxicab Medallion License Holders or their affiliations (Lessors) shall keep accurate records of the lease agreements between them and each chauffeur (Lessee) assigned to their taxicabs, and the records shall indicate the beginning and expiration dates and time of each lease agreement. These records shall be made available to the Commissioner for inspection upon demand.

RULE 8.04* Lease Agreements to be in Lessee's Possession.

It shall be the duty of the Lessor to ensure that any Lessee operating Lessor's taxicab shall have been issued a executed lease. The Lessee shall keep his completely executed lease agreement in his possession whenever he is operating the leased Public Passenger Vehicle.

RULE 8.05* Lessee to be Sole Driver.

The Lessee shall be the sole driver of the leased vehicle during the period of the lease agreement. If any vehicle shall be found to be operated by any person to whom a valid lease agreement was not issued, the License Holder shall receive a verbal warning for the first such violation, and for subsequent violations the license of the vehicle being so operated shall be suspended for up to twenty-nine (29) days. If any vehicle is found to be operated by any person without a lease and without a valid City of Chicago Public Chauffeur License, the License Holder will be subject to this rule and Rule 7.01 (d) of these Rules and Regulations and Section 9-112-285 of the MCC.

RULE 8.06 Maximum rates.

- a. No lessor may charge a taxicab lease rate in excess of the maximum lease rates set forth below:

MAXIMUM TAXICAB LEASE RATES INCLUDING CITY AND STATE TAXES			
	Including Repairs & Maintenance	Excluding Repairs & Maintenance	Medallion-Only Lease
12-Hour Lease	\$57.00	\$ --	\$ --
24-Hour Lease	78.50	--	--
Weekly	473.00	372.50	275.00

- b. Advertising and other incidental income.
 - 1. In the event that the lessor receives any income in any way derived from any advertising maintained on or in the vehicle (hereafter "advertising income") or income received by the lessor from any other source relating to the use of the taxicab vehicle for the benefit of any other party except the lessee and/or his/her passengers during the time which the vehicle is leased by the lessee (hereafter "other incidental

income”), 35 percent of such income shall be returned to the lessee(s) by means of a reduction in the lease rate charged.

2. For the purpose of this provision, the term “income” means gross revenues, without any deduction for costs or expenses incurred by the lessor. The term shall not, however, include City of Chicago Personal Property Lease Transaction Tax collected by the lessor and remitted to the City's Department of Revenue pursuant to Chicago Municipal Code Chapter 3-32.
 3. Beginning on the first day of the month after the month in which any advertising or other incidental income is received, each lessee of any car in the fleet associated with the generation of such income must receive a credit to reduce the lease rate as set forth above.
 4. Reports detailing the calculation of the credit must be submitted to the Department of Consumer Services no later than the 5th day of the month after the month in which the credit will apply, on forms to be provided by the Department.
 5. The Department of Consumer Services will review such reports as needed and reserves the right to audit lease agreements and related financial records as necessary to monitor compliance with this subsection (b) (2). Medallion owners who fail to comply with this subsection (b) (2) will be subject to fines as provided by the Chicago Municipal Code and/or revocation of advertising permits.
- c. For leases under 12 hours, the maximum amount charged shall not exceed the amount for a prorated 12-hour lease. (For example, a six-hour lease maximum rate would be half the 12-hour maximum rate.) For leases over 12 hours, but less than 24 hours, the maximum amount charged shall not exceed the amount for a prorated 24-hour lease rate.
 - d. Lessors and lessees entering into agreements for more than 24 hours, but less than one week may enter into a series of leases for 12 hours, 24 hours or both, as limited by paragraph (d) below. Any such lease in a series of leases between a lessor and lessee may be rescinded by the lessee, with notice to the lessor and without cost to the lessee, prior to the start of the period indicated in that particular lease.
 - e. The practice of entering into a series of leases with the same individual lessee for the purpose of exceeding the lease rate caps as set forth in paragraph (a) is also expressly forbidden. For example, a lessor may not charge more than the 24-hour rate by entering into two consecutive 12-hour leases with the same individual lessee, nor may a lessor charge more than the weekly lease cap by entering into a series of 12-hour and/or 24-hour leases with the same individual lessee within a seven-day period.

- f. A medallion-only lease may include a vehicle purchase option lease with an additional charge for the purchase of the vehicle, provided that all disclosure requirements applicable to the lease and/or purchase of consumer goods and services, pursuant to Regulation M, 12 C.F.R. § 213, shall apply to vehicle purchase option leases. In addition, no charge may be imposed through or in connection with a vehicle purchase option lease which would enable the lessor to circumvent the requirements of these rules and regulations.
- g. No lessee who leases a vehicle for a 12-hour lease, a 24-hour lease or a weekly lease including repairs and maintenance shall be charged for any time when the taxicab vehicle is not available to the lessee for transporting passengers. Such times include, but are not limited to, the suspension of the taxicab license, the taxicab vehicle being inspected by the Department of Consumer Services, or the vehicle being out of commission due to mechanical problems.
- h. On an annual basis, the Commissioner will review, and, if necessary, revise the lease rates, to ensure that the rates are consistent with the requirements and objectives of § 9-112- 145 of the Municipal Code of the City of Chicago.
- i. A lessor must accept any of the following means of payment of a lease: cash, money order, certified check, or cashier's check. When requested by the lessee, a lessor must provide a signed and dated receipt for any lease payment.
- j. A lessor may not impose any additional charge on the lessee, either through the lease itself or otherwise, for any goods or services provided by the licensee in connection with the taxicab lease, except for the following:
 - 1. The lessee may be responsible for the cost of gasoline incurred during his or her use of the vehicle and, if required, will be responsible for returning the taxicab with a full tank of gasoline. The lessee, however, shall not be required to purchase the gasoline from the lessor, except if at self-service market rate;
 - 2. Supplemental insurance coverage in excess of the amount of public vehicle insurance required by law may be charged only at the lessee's express written request, based on lessor's reasonable costs actually incurred for such coverage.
 - 3. Collision damage waiver charges may be charged only at the lessee's express written request, based on lessor's reasonable costs actually incurred for collision damage waiver.

4. The lessee may be charged a maximum of an additional \$2.00 per 12-hour lease, \$3.00 per day or \$15.00 per week in the first year of service for new vehicles as defined in Rule 8.01 (k) above.
5. The lessee may be charged late fees of a maximum of \$15.00 per hour for failure to return the vehicle on a timely basis.
6. Actual charges for personal phone calls on cellular phones may be charged.
7. Leases may include a bond, not to exceed \$500, which may be added to the lease rate. A lessor may be reimbursed from the bond of the lessee only for:
 - (1) Any unpaid yet owing lease charges;
 - (2) Any collision damage to a vehicle if the driver does not opt for collision damage waiver;
 - (3) Any intentional damage done to the vehicle or its equipment by the lessee;
 - (4) Any actual costs for cellular phone usage chargeable to the lessee; and/or
 - (5) Any administrative fines actually paid by the lessor to the Department of Consumer Services due to the action of the lessee.

No administrative charges relating to the cost of administering the bond money may be reimbursed from the bond. Lessors shall refund to the lessee any outstanding balance in the bond within 45 days following the last day for which the parties had a taxicab lease. No additional security deposit or bond is permitted in the lease agreement.

Examples of Combined Lease Charges					
	12-Hour	24-Hour	Weekly Includes Repairs and Maintenance	Weekly Excludes Repairs and Maintenance	Weekly Medallion-Only
Base Max. Rate	57.00	78.50	473.00	372.50	275.00
Supplemental	4.00	4.00	25.00	25.00	25.00

Insurance (Driver's Option)					
<i>Sub-Total</i>	<i>61.00</i>	<i>82.50</i>	<i>498.00</i>	<i>397.50</i>	<i>300.00</i>
New Vehicle Model	2.00	3.00	15.00	15.00	0.00
<i>Maximum Rate</i>	<i>63.00</i>	<i>85.50</i>	<i>513.00</i>	<i>412.50</i>	<i>300.00</i>

RULE 8.07 Taxicab Lease Rate Appeals Process.

- a. Subject to the requirements which follow, any lessor may seek permission to charge a lease rate higher than a maximum lease rate set pursuant to these rules and regulations by submitting an appeal to the Department of Consumer Services.
 1. A lessor may not file an appeal of any rate set forth in these rules and regulations unless he has submitted proof to the Department of Consumer Services that he has: (1) paid all monies due the City of Chicago, including, but not limited to, all fines for outstanding parking violations, any delinquent ground transportation taxes, and/or any administrative fines; or (2) filed an appearance with the Circuit Court of Cook County to contest any of said fines or taxes; or (3) entered into an agreement with the Department of Revenue for the payment of the amount due and owing. The agreement must be completed within one year of the date upon which the agreement is made.
 2. Appeals may not be filed unless the lessor has timely filed with the Commissioner the most recent annual financial statement required along with the lessor's then-current leases, rates and other documents. Any valid lease rate in effect at the time of the lessor's appeal may remain in effect while the lessor's appeal is pending.
 3. All appeals must be filed on a form designated by the Department and must include updated financial information and documentation in the form required by the Commissioner.
- b. A lessor may seek approval for a higher lease rate through the appeal process by establishing that the current lease rates are insufficient to cover its reasonable operating costs and provide a fair return on its investment. The question of whether any appeal is to be granted shall be determined in accordance with the criteria established by § 9-112-145 of the Municipal Code of the City of Chicago.

- c. All variations from the lease rates established herein must be approved in writing by the Department of Consumer Services.
- d. All lease-rate cap appeals must be made within 60 days after the effective date of lease rate changes, unless agreed to by the Commissioner, or unless the lessor can demonstrate a substantial change in circumstances after that date.
- e. In no event may a lessor submit more than one appeal per year unless agreed to by the Commissioner or unless the lessor can demonstrate a substantial change in circumstances since the filing of the previous appeal.
- f. The process for hearing appeals seeking permission to charge a lease rate higher than a maximum lease rate shall consist of the following steps:
 - 1. All appeals to be considered must be filed in a timely fashion pursuant to paragraph (d) of this rule above.
 - 2. Appeals filed by lessors not in compliance with paragraph (a) of this rule above may be denied.
 - 3. The written appeal and supporting documentation will be reviewed to assure that sufficient grounds for an appeal are articulated and the required supporting documentation is complete.
 - 4. The Commissioner may request that the lessor appellant file a more definite statement of the grounds for the appeal or to file additional documentation supporting the appeal. In the event that the Commissioner makes such a request, the lessor shall have ten (10) business days to file with the Commissioner the requested information and/or documentation. Failure to file the requested information and/or documentation within the ten (10) business days may result in the appeal being denied.
 - 5. The Commissioner may schedule an informal conference with the lessor to review the records filed and to request additional information and/or documentation. If such additional information and/or documentation is not received within the time limit given for such a request, the appeal may be denied.
 - 6. The Commissioner also may schedule a pre-hearing conference with the lessor for the purpose of settling the appeal prior to a formal hearing.
 - 7. If an appeal is not settled at the pre-hearing conference, a formal hearing will be scheduled. The formal hearing will be heard by an unbiased hearing officer appointed by the Commissioner who will cause a record of the hearing with his/her recommendations regarding

the appeal to be forwarded to the Commissioner. In any appeal, the appellant shall bear the burden of proof, in whole and in part, as to any issue raised by the appellant in its appeal. The standard for the burden of proof shall be a preponderance of the evidence.

8. Undocumented expenditures shall not be considered in the resolution of the appeal. Nor shall any documentation which is not presented by the appellant to the Department prior to the scheduling of a formal hearing and the appointment of the hearing officer be admissible at the formal hearing.
9. If unreliable information or documentation is presented at any time during the appeal, the Department of Consumer Services has the right to conduct, or cause to have conducted, a full audit of the lessor's records.
10. The Commissioner, after reviewing the hearing officer's report and recommendations, shall issue a final decision on the appeal.
11. The right to charge a higher lease rate due to a successful appeal is not transferable, nor may a licensee associated or affiliated with a successful lessor-appellant charge a higher rate unless that licensee was specifically named as a lessor-appellant at all stages of the appeal.

RULE 8.08 Uniform Lease Disclosures.

- a. To enable the Department to enforce the provisions of these rules and regulations all leases must be in writing and must disclose at least the following minimum information:
 - (1) Names of lessor and lessee;
 - (2) The term of the lease (including starting and ending time);
 - (3) The lease rate, with base rate, insurance charges and city and state taxes disclosed and itemized separately;
 - (4) Additional allowable lease charges such as supplemental insurance coverage (each additional charge must be initialized by the lessee indicating the exercise of his option in accepting such charge);
 - (5) Charges relating to and conditions imposed by any bond;
 - (6) Late fee charges, if any;
 - (7) Whether the lease includes an option to buy and if so, the option price and date on which it may be exercised; and
 - (8) Any and all other charges related to the lease of the medallion or vehicle, and/or otherwise subject to these rules and regulations.
- b. All leases must include the following statement in bold lettering no smaller in type size than the language in the body of the lease document:

"THE UNDERSIGNED LESSOR AND LESSEE UNDERSTAND THAT DISCRIMINATION IN THE SOLICITATION, ACCEPTANCE OF, AND THE DISPATCHING OF SERVICE TO PASSENGERS ON THE BASIS OF RACE, GENDER, OR GEOGRAPHIC LOCATION OF PICK-UP OR DESTINATION WITHIN THE CITY OF CHICAGO IS STRICTLY PROHIBITED."

RULE 8.09 Penalties.

- a. Any lessor who imposes a lease rate or other charge in excess of that which is permitted under this rule or who fails to provide financial information and/or documentation as required under this rule shall be subject to a fine of not less than \$200 and not more than \$750 for each offense and shall be subject to the suspension or revocation of his or her taxicab license.
- b. Each day that a violation continues, and each unlawful lease that is executed shall constitute a separate and distinct offense.
- c. Notwithstanding the penalties listed above, the City of Chicago may bring an action in an appropriate court for injunctive or other equitable relief against violations of this section.

SECTION IX. LICENSE RENEWALS

RULE 9.01 Time for Renewal.

Application for renewal of Taxicab Medallion Licenses for the following year shall be made between the 15th December of the current licensing year and the last day of February of the following year, and provided that the insurance certificates required by §9-112-220 of the MCC shall have been filed on time with the Department of Consumer Services-Public Vehicle Operations Division pursuant to these rules.

RULE 9.02 Effect of Late Application for Renewal.

In the event that an application is not submitted by the last day of February the license shall be deemed to be surrendered and may be reissued to any qualified person in conformity with the provisions of Chapter 9-112 of the MCC.

RULE 9.03 Documents Needed for Renewal—Corporate.

Only an officer of the corporation, registered with the Department of Consumer Services, may renew licenses held by the corporation. The officer shall submit:

- (1) Certificate of Good Standing, issued by the Secretary of State for the State of Illinois or a Corporation File Detail Report downloaded from the Secretary of State website indicating a status

of good standing. At the specific request of the Commissioner, you may be required to submit a certified copy from the Secretary of State for the State of Illinois in addition to the online report;

- (2) List of corporate officers;
- (3) Schedule of vehicles;
- (4) Renewal cards signed and notarized;
- (5) Renewal fees;
- (6) An affidavit as required by Section 4-4-152 of the MCC; and
- (7) Proof from the City of Chicago Department of Revenue that there are no outstanding parking citations, Ground Transportation Tax (including interest and penalties), or DCS administrative fines (including interest and penalties) against the license to be renewed. Where the License Holder claims lack of responsibility of outstanding citation listed by the Department of Revenue pursuant to Ill. Rev. Stat. ch. 95½, 11-1306(1985), as amended, the License Holder shall provide a copy of the fully completed and executed lease, including the full name, address and Public Chauffeur license number of the lessee, in force for each date and time of any outstanding parking citation. Under his authority in Chapter 9-112 of the MCC to consider the character and reputation of the applicant or its members or officers as law-abiding citizens, the Commissioner shall take into account in deciding whether to renew a Taxicab Medallion License any failure by the applicant to supply such a lease or to demonstrate proof of satisfaction or dismissal of any citations for which the License Holder supplies no lease. For the purpose of this Rule, "outstanding parking citation" means a citation for a parking violation pursuant to Chapter 9-64 of the MCC which is past the court date for an appearance where no lease is involved or beyond the date by which the License Holder should have responded with information under 625 ILCS 5/11-1306, as amended.

RULE 9.04 Documents Needed for Renewal—Individuals.

Only the License Holder may renew his Taxicab Medallion License. He shall submit:

- (1) Schedule of vehicles;
- (2) Renewal forms signed and notarized;
- (3) Renewal fees;
- (4) An affidavit as required by Section 4-4-152 of the MCC; and
- (5) Proof from the City of Chicago Department of Revenue that there are no outstanding parking citations, Ground Transportation Tax (including interest and penalties), or DCS administrative fines (including interest and penalties) against the license to be renewed. Where the License Holder claims lack of responsibility of outstanding citation listed by the Department of Revenue pursuant to Ill. Rev. Stat. ch. 95½, 11-1306(1985), as amended, the License Holder shall provide a copy of the fully completed and executed

lease, including the full name, address and Public Chauffeur license number of the lessee, in force for each date and time of any outstanding parking citation. Under his authority in Chapter 9-112 of the MCC to consider the character and reputation of the applicant or its members or officers as law-abiding citizens, the Commissioner shall take into account in deciding whether to renew a Taxicab Medallion License any failure by the applicant to supply such a lease or to demonstrate proof of satisfaction or dismissal of any citations for which the License Holder supplies no lease. For the purpose of this Rule, "outstanding parking citation" means a citation for a parking violation pursuant to Chapter 9-64 of the MCC which is past the court date for an appearance where no lease is involved or beyond the date by which the License Holder should have responded with information under 625 ILCS 5/11-1306, as amended.

SECTION X. FORECLOSURE AND TRANSFER OF LICENSE

Rule 10.01 Notice Prior to Foreclosure.

Prior to foreclosing upon a Taxicab Medallion License, the secured party must notify the licensee and the Commissioner of Consumer Services in writing of his intent to foreclose. This notice must be sent at least 21 days prior to the date on which the creditor intends to foreclose and must include the following information:

- (1) The name of the licensee;
- (2) The number of the Taxicab Medallion License;
- (3) The past due amount owed the secured party or other claimed grounds for default;
- (4) The estimated amount of incidental costs (including attorney fees) to be incurred upon foreclosure;
- (5) The intended date of foreclosure;
- (6) The proposed procedure to avoid default and foreclosure; and
- (7) The name and phone number of the person to whom inquiries should be directed.

Rule 10.02 Foreclosure Sale Purchases.

The purchaser at any foreclosure sale must apply for transfer of the Taxicab Medallion License. The purchaser must meet all the criteria for licensing as set out in the Municipal Code and these rules and regulations, including payment of the license transfer fee. Transfer of the license following a foreclosure sale must be approved by the Commissioner of Consumer Services prior to such transfer being effective.

Rule 10.03 Notice of Transfer—Affidavit of Defense.

Subsequent to any foreclosure sale, and at least 15 days prior to the purchaser making an application for transfer upon foreclosure, the creditor must send to the debtor at his last known address, by certified mail return receipt requested: (1) a Notice of Creditor's Request to Transfer Taxicab Medallion License Upon Foreclosure in the form prescribed by the Commissioner; and (2) an Affidavit of Defense in the form prescribed by the Commissioner. The 15-day period commences upon the date which the forgoing documents were mailed via certified mail.

A copy of the Notice of Creditor's Request to Transfer Taxicab Medallion License Upon Foreclosure must also be sent within such time to the Commissioner, who may attempt to notify the debtor of such action independently. If a completed Affidavit of Defense is received by the creditor or the Commissioner within 15 days, no transfer upon foreclosure will be allowed without the subsequent express written consent of the debtor except pursuant to an order of a court having jurisdiction.

Rule 10.04 Foreclosure Sale Purchase—Documents Required.

An application for transfer of a Taxicab Medallion License upon foreclosure shall be made on forms prescribed by the Commissioner. The application must be accompanied by all of the following:

- (1) An Affidavit of Transfer on Default on a form prescribed by the Commissioner;
- (2) A complete and accurate copy of the loan agreement between the debtor and the creditor. The loan agreement must indicate the license number and contain the signature of the debtor; and
- (3) A copy of the Notice of Creditor's Request to Transfer Taxicab Medallion License upon Foreclosure together with the signed return receipt from the United States Postal Service or the returned envelope stamped by the Postal Service as "undeliverable."

Rule 10.05 Operation Prohibited Until Transfer Approved.

Neither the creditor nor the purchaser of a license at a foreclosure sale shall be entitled to operate the taxicab unless and until the transfer upon foreclosure is approved by the Commissioner.

Rule 10.06 Sale to Qualified Applicants Only.

If a public sale of a transferred license is required pursuant to Section 9-504 of the Uniform Commercial Code or pursuant to the terms of the security agreement between the creditor and debtor, the license must be sold to a person believed to be a qualified applicant at public auction, with the proceeds applied as provided in Section 9-504(1) of the Uniform Commercial Code. Notification of the time, date, and location of any public foreclosure sale must be sent in writing to the Commissioner at least 14 days prior to the public auction. If the purchaser at

public auction is not a qualified applicant, another public foreclosure sale shall be conducted.

Rule 10.07 Conditions on Transfer of Taxicab Medallion License.

Whenever the Department of Consumer Services files for revocation of a Taxicab Medallion License or sends notice of revocation or surrender due to non-renewal, the Commissioner will notify any creditor who has properly filed a secured interest in accordance with Section XI of these Rules. An assignment or transfer of the license will be permitted only pursuant to the following conditions:

- (1) A secured creditor may proceed with a foreclosure sale while revocation proceedings are pending. Such application should follow the same procedures as outlined in these Rules and Regulations. If revocation proceedings are pending, any foreclosure sale must be by public auction and any proceeds due the debtor following the sale must be held in escrow until such time as the Department of Administrative Hearings or the Circuit Court has issued a ruling on the petition for revocation. If the Department of Administrative Hearings or the Circuit Court enters an order revoking the license, the monies held in escrow should be delivered to the City of Chicago. If the license is not revoked, but a fine is imposed, the monies held in escrow should be used to pay the fine, with any remainder being returned to the debtor. If the Department of Administrative Hearings or the Circuit Court neither revokes the license nor imposes a fine, the money held in escrow shall be returned to the debtor; and

- (2) A secured creditor may hold a foreclosure sale following the entry of an order revoking a Taxicab Medallion License if notice of intent to foreclose has been provided within 30 days of the entry of the revocation order. The creditor need not follow the procedural steps outlined in Rules 10.03 and 10.04 of these Rules and Regulations and need not provide notice to the debtor as specified in Rule 10.01. Applications for transfer upon foreclosure in such instances must be accompanied by a certified copy of the loan agreement between the debtor and the creditor and an affidavit listing the name of the Licensee; the number of the Taxicab Medallion License; the past due amount owed the secured party; and the estimated amount of incidental costs (including attorney fees) to be incurred upon foreclosure. The sale must be a public auction, and any proceeds not due the creditor must be paid to the City of Chicago. Thirty (30) days following the entry of an order of revocation of a Taxicab Medallion License by the Department of Administrative Hearings or the Circuit Court, any security interest in such license shall extinguish unless the Commissioner has received a notice of intent to foreclose as provided in Rule 10.01.

Rule 10.08 Permitted Actions of Secured Creditors.

A secured creditor, having previously fully complied with the reporting requirements of Section XI of these Rules and Regulations, may bring an action against the debtor/licensee in any court of competent jurisdiction to obtain an order resolving the respective rights of the licensee/debtor and the secured creditor to the Taxicab Medallion License. The City of Chicago need not be a party to such litigation. In the event judgment is entered for the creditor, the creditor need not comply with Rules 10.01, 10.03, and 10.04 of these Rules and Regulations.

Rule 10.09 Medallion and License Card in Event of Foreclosure.

Although the Commissioner will attempt to prevent the unauthorized use of a Taxicab Medallion License, the Commissioner is not responsible for the physical transfer of the license card or medallion. If the creditor is unable to affect such physical transfer after making all reasonable efforts to do so, the medallion or license card shall be considered lost and may be replaced pursuant to Section 9-112-200 of the Municipal Code of the City of Chicago.

SECTION XI SECURITY INTERESTS

RULE 11.01 Pre-encumbrance Notifications.

Before a Taxicab Medallion License may be encumbered, the licensee shall notify in writing the Commissioner of Consumer Services. Such notification must be on a form provided by the Commissioner and must contain the following information:

- (1) The name of the licensee;
- (2) The number of the Taxicab Medallion License to be encumbered;
- (2) The name and address of the secured party (creditor);
- (4) The amount of the debt being secured by the encumbrance;
- (5) If there are any previous encumbrances on the license; and
- (6) If the planned encumbrance results from refinancing of an earlier debt.

Rule 11.02 Filing of Secured Interest.

All security interests must be filed with the Illinois Secretary of State. Five (5) business days after the creditor has received a copy of the completed UCC-1 form filed with the Secretary of State, the creditor must provide to the Commissioner of Consumer Services a copy of the completed UCC-1 form with the assigned filing number. Attached to the copy of the completed UCC-1 form must be a copy of the security agreement and any other underlying contracts or documents

memorializing the terms and conditions of the debt for which the Taxicab Medallion License was pledged. Whenever the amount of the debt is increased, or whenever the terms or conditions of the loan are modified, the creditor must notify the Commissioner of such change no later than ten days after the increase or modification is made. Such notification must include copies of all contracts or documents memorializing the terms of the increased debt or modified terms or conditions of the loan.

Rule 11.03 Assignment of Secured Interest.

Within ten days after a security interest in a Taxicab Medallion License is assigned by a creditor, the creditor must file such assignment with the Illinois Secretary of State. Five (5) business days after the creditor has received a copy of the completed assignment, the creditor must provide to the Commissioner of Consumer Services a copy of the completed filing of the assignment, together with copies of any contracts and other written instruments memorializing the terms and conditions of the assignment of the security interest. This requirement shall also apply to any subsequent assignment of the security interest and any and all cancellations or revocations of assignments of the security interest.

Rule 11.04 Modification to Loan Agreements.

Whenever the Department of Consumer Services files for revocation of a Taxicab Medallion License, the Licensee shall not pledge or otherwise encumber his license or modify a pre-existing loan agreement between himself and his creditor without prior approval of the Commissioner of Consumer Services or until the court of jurisdiction has issued a ruling on the pending charges.

Rule 11.05 Notice to Secured Party—Revocation.

In the event that the Department of Consumer Services files for revocation of a Taxicab Medallion License, the Department will notify any holder of a security interest in the license of the filing of such charges provided that the secured party has complied with the reporting requirements contained in this rule.

SECTION XII AFFILIATIONS

RULE 12.01 Chicago Transit Authority Taxi Access Program ("CTA-TAP").

- a. As a condition of being licensed, every affiliation and every taxicab affiliated with the affiliation shall participate fully in the Chicago Transit Authority Taxi Access Program (CTA-TAP).
- b. No taxicab licensee affiliated with an affiliation shall allow his taxicab to be operated by a public chauffeur unless that public chauffeur is qualified to participate in CTA-TAP.

- c. In the event that a public chauffeur is found liable for having refused service to a customer, the medallion holder of the taxicab which the chauffeur is operating at the time of the refusal shall also be liable for refusal of service. Such presumption may be rebutted by respondent medallion holder by his or her submission of documentary evidence which demonstrates that he, prior to the incident for which the chauffeur is found liable of refusal, had monitored the performance of the chauffeur and such performance indicated that the chauffeur had transported passengers participating in the CTA-TAP program to an extent equal to or in excess of both regulatory requirements and industry averages.

RULE 12.02 Affiliation Membership.

Any licensee who is an affiliate of a registered affiliation must have all of his taxicabs affiliated with the same affiliation.

RULE 12.03 Cooperation with Affiliations.

Every licensee who is a member of an affiliation shall cooperate with such affiliation by promptly providing to the affiliation such documents and information as required of the licensee in order to enable the affiliation to meet its obligations under Chapter 9-112 of the MCC, the regulations promulgated thereunder, and other applicable law.

SECTION XIII JITNEY SERVICE

RULE 13.01 Jitney Service.

No Licensee shall operate or permit the operation of a taxicab jitney service unless the licensee has filed a jitney service registration statement with Department of Consumer Services at least seven (7) days prior to the date the service is to begin. The jitney service registration statement shall contain the following information:

- (1) The name and telephone number of the licensee;
- (2) The license number of vehicle or vehicles that will be providing jitney service;
- (3) The jitney routes on which service will be provided and the hours during which service will be provided; and
- (4) Such other information that the Commissioner requires. Jitney service shall be operated only on such routes and during such hours as are authorized by the Commissioner of Consumer Services. Except as specifically provided otherwise in Section 9-112-480 of the Municipal Code of Chicago, jitney service operators must comply with all provision of Chapters 9-112 and 9-104 of the MCC and all rules and regulations adopted pursuant thereto, applicable to taxicabs and public chauffeurs. Authorization to conduct jitney service may be withdrawn if a licensee, after a

hearing conducted pursuant to these rules, is found to have violated any such provision, including Section 9-112-480.

SECTION XIV ADVERTISING

RULE 14.01 Advertising in Taxicabs.

No licensee shall permit his or her taxicab to display any advertising sign or device without a permit issued by the Department of Consumer Services. No such permit shall be issued unless the licensee is in full compliance with all applicable Department of Consumer Services Rules and Regulations and has paid all required fees and any outstanding taxes and fines. Permits for both Exterior Advertising Displays and Interior Video Display Screens can be issued to the same taxicab.

RULE 14.02 Exterior Advertising Display.

- a. Location.
Advertising displays on the exterior of the cab will be allowed only on the vehicle doors on both sides of the cab or roof-top signs.
- b. Vehicle Doors.
The only type of advertising displays permitted on the vehicle doors shall be displays adhered to the vehicle doors using a vinyl wrapping process, which is sometimes referred to as a “partial wrap.” The vinyl for a taxi wrap must be premium 2ml cast self adhesive PVC product that will conform to vehicle curves.
- c. Roof-top displays.
 1. The size of the device shall not be larger than 58 inches long, 20 inches wide, and 18 inches high.
 2. The design of the display device will allow two-dimensional advertising on either:
 - (1) Advertising surfaces not to exceed 14 inches x 48 inches visible from each side of the cab; or
 - (2) Advertising surfaces not to exceed 14 inches x 48 inches visible from each side of the cab along with two surfaces not to exceed 11 inches x 8 inches visible from the front and back of the cab; or
 - (3) Advertising surfaces not to exceed 14 inches x 48 inches visible from each side of the cab, two surfaces not to exceed 11 inches x 8 inches visible from the front and back of the cab, and one surface not to exceed 6 inches x 48 inches visible from the top of or above the cab.

3. All advertisements must fit with the dimensions of the display device and shall not exceed the dimensions described in paragraph (c) (2) above.
4. Each advertising display device must be designed to include an availability display that must use separate and distinctly different lights from any illumination or backlighting of the advertising display. The availability display must:
 - (1) consist of three sections. The central section shall be white and inscribed in black plain block numbers at least 3 ½ inches in height with ½ inch stroke indicating the medallion number of the taxicab to which the top light is affixed. The left and right sections shall be identical to each other and shall be black;
 - (2) be visible at 300 feet in normal sunlight;
 - (3) be installed and maintained in such manner that the availability display will automatically be lit when the taximeter is not activated and the availability display will automatically be unlit when the taximeter is activated; and
 - (4) be equipped with a driver-operable switch that will enable the driver to manually turn on and off the availability display.

RULE 14.03 Interior Advertising Display.

- a. The only type of Interior Advertising permitted is an Interior Video Display Screen.
- b. The only type and location of Interior Video Display Screens permitted shall be secured to the middle portion of the front seat or, if there is no safety shield or bench seating, in a console facing the middle of the rear seat, displaying into the back seat, and each video display screen shall include the following:
 1. Each video advertising device shall be equipped with a switch or other control that enables the passenger to mute or adjust to zero the audio volume. Such switches or other controls shall be fully functioning at all times.
 2. Upon each activation of the taximeter, the video advertising device shall play the following audio message, or such other message as the Commissioner of Consumer Services and the licensee may agree upon, at the same volume level used for video advertising:

“Welcome to Chicago! We’re glad you’re here. For your safety, please use your seat belt. Also, remember to take all of your belongings when you exit the cab, and to write the cab number down. Call 311 to compliment your cab driver or file a complaint.

Smoking is not permitted in Chicago cabs or public buildings. Log onto www.cityofchicago.org or watch Cable Channel 23 for information on what's happening in Chicago. Enjoy Chicago!"

3. The text of the above or other agreed-upon audio message shall be simultaneously displayed on a crawl across the top or bottom of the video display. This crawl shall be repeated every 20 minutes.

Rule 14.04 Advertising Guidelines.

Advertising displayed on taxicabs is part of the regulated appearance of the vehicles and, as such, may not be inconsistent with or undermine the City's existing regulatory interests in protecting and serving passengers and prospective passengers, which are expressed through the City's requirement of courteous and nondiscriminatory service and clear visibility of taxicab identification and contact information.

- a. The following is not allowed and may be grounds for revocation of an advertising display permit:
 1. Advertising that is untruthful, fraudulent, involving illegal activity, or in violation of city, state, or federal law.
 2. Advertising that is sexually explicit, defined as depicting genitals, pubic hair, buttocks, perineum and anal region, pubic hair region, or any portion of the female breast at or below the areola thereof, whether such body parts are depicted as uncovered or less than completely and opaquely covered.
 3. Advertising that portrays graphic violence, such as through the depiction of human or animal bodies, body parts, or fetuses in states of mutilation, dismemberment, disfigurement or decomposition.
 4. Advertisements that contain swear words, obscenities, or racial, ethnic, or sexual slurs or abusive epithets.
 5. Advertisements that are located on the taxicab vehicle doors and contain information that would tend to confuse observers looking for the required cab identifier information, defined in these regulations as: (i) numbers that are similar in appearance to the vehicle identifier numbers and (ii) telephone numbers.
- b. Additional conditions for holding an advertising display permit:
 1. No Public Chauffeur may solicit or otherwise promote the product or service advertised in the display.

2. Advertising displays must be maintained in a safe, clean, and undamaged condition.

RULE 14.05 Approval or Denial of Advertising Permits.

The department shall inform applicants for an advertising display permit under this section whether the application is approved or disapproved within 30 business days after its receipt of the completed application, unless it gives the applicant written notice that it needs an additional 30 business days and the reasons therefore. If the application is approved, the department shall issue an advertising display permit. If the department denies the permit application, it shall provide written notice of its decision within such time period, stating the specific grounds and regulations that form the basis for such denial. The reasons for denial of a permit shall be limited to: outstanding debts with the City of Chicago, nonpayment of permit application fee (including returned checks for non-sufficient funds and credit card challenges), incomplete or false applications, or failure to pass the initial safety inspection of the advertising display device. If the department fails to so act within 30 business days (or 60 business days if it has given advance notice of the need for an additional review period) after receipt of the application, the application shall be deemed granted and the permit shall be issued, provided that the permit fee has been paid.

Any applicant who believes his or her application for an advertising display permit is wrongfully disapproved may appeal the decision of the Department by notifying the Department of Administrative Hearings of the intent to appeal by filing a request for a hearing. The request for a hearing shall be made in writing and filed with the Department of Administrative Hearings—Office of the Director, 740 North Sedgwick, Chicago, IL 60610, 6th Floor. If no appeal is filed within ten days of the Department's issuance of the notice denying the advertising permit application, it shall be deemed that the applicant has conceded the validity of the reason or reasons stated in the denial notice and that decision shall become final.

If the applicant fails to appear on the date and time the appeal is scheduled for a hearing, the appeal will be stricken and the decision denying the application shall become final. Subsequent appeals will not be heard if they are outside the ten day time period.

RULE 14.06 Application for Advertising Display Permit.

Application for a permit to display advertising in or on a taxicab shall be on a form provided by the Commissioner of Consumer Services and shall contain the following information:

- (1) The name, address, and daytime phone number of the licensee applying for the permit;
- (2) The Medallion Number of the taxicab to which the advertising sign or device will be affixed;

- (3) The type (interior video display screen or exterior) of advertising permit application;
- (4) Copies of any contracts or other agreements between the licensee and those parties contracting for the placement of advertising on the vehicle;
- (5) Proof of registration with the City's Department of Revenue for the collection and remittance of the personal property lease transaction tax that applies to lease or rental payments pursuant to Chapter 3-32 of the Municipal Code of Chicago; and
- (6) Proof, in a form acceptable to the Commissioner, that the public liability and property damage insurance policy(s) for the vehicle(s) for which the advertising permit is being applied specifically provide coverage for any injury or damage caused in whole or in part by the advertising display to be affixed to the taxicab.

RULE 14.07 Permit Fees and Expiration.

- a. The fee for the issuance of any interior or exterior advertising display permit shall be \$100.00 for each display, payable at time of application.
- b. An interior or exterior advertising permit issued under this section shall expire one year after the date of issue, unless sooner surrendered, revoked or terminated.
- c. Permit application fees collected under this rule shall be in addition to the personal property lease transaction tax that applies to lease or rental payments pursuant to Chapter 3-32 of the Municipal Code of Chicago, and the application for a permit shall include proof that the applicant has registered with the City's Department of Revenue for the collection and remittance of the tax.
- d. Advertising display devices for roof-top advertising and interior video display devices require an initial installation inspection of such device. The fee for such initial installation inspection shall be \$100.00, payable by the person or entity installing an advertising display device.

RULE 14.08 Transfer Prohibited.

No advertising display permit shall be transferred or assigned.

RULE 14.09 Grounds for Revocation of Advertising Permits.

- a. The following are grounds for immediate revocation of a taxicab advertising permit:
 1. Failure to submit records of advertising revenue as required in Rule 8.06.

2. Failure to share revenue with taxicab drivers as required in Rule 8.06.
 3. Material false or misleading information on advertising permit application.
 4. A display device that is a risk to public safety.
 5. Incurring an outstanding debt to the City of Chicago after the issuance of the advertising permit.
- b. The following are grounds for revocation after notice and a failure to correct.
1. An unclean or damaged advertising display.
 2. Violation of the Advertising Guidelines set forth in Rule 14.04 (a) (1)-(5).

In the event that the Department determines that any of the bases identified above exist, the Commissioner may institute proceedings with the Department of Administrative Hearings seeking to revoke the advertising permit or impose appropriate fines upon the permittee.

RULE 14.10 Suspension or Revocation of a Taxicab Medallion License.

The suspension or revocation of a Taxicab Medallion License shall act as the suspension or revocation of any advertising display permit issued for that vehicle.

RULE 14.11 Record Keeping.

Each licensee to whom an advertising display permit is issued shall maintain complete and accurate records of all revenues received from the display of any advertising sign or device and all disbursements or credits afforded to chauffeur/lessees of licensee's taxicabs for which an advertising display permit has been issued, along with all other records of the licensee's business activity relating to advertising. The licensee's records of its business activity relating to advertising shall be subject to and available for inspection by the Department of Consumer Services at all times during business hours of the day upon reasonable notice.

SECTION XV PENALTIES

RULE 15.01 Definitions.

For the purpose of this section:

- a. "repeated offense" means a second or subsequent commission of the same or similar offense within a five (5) year period;
- b. "aggravated offense" means (i) an intentional or willful and wanton violation;(ii) an offense demonstrating reckless disregard for the public safety; or (iii) an offense designated as a aggravated offense by these rules. Any offense committed by a licensee who previously has been found guilty of two (2) or more offenses shall be deemed an aggravated offense.

RULE 15.02 Penalties.

Except as otherwise specified in particular rule or ordinance, any violation of these rules or of Chapter 9-112 of the Municipal Code of Chicago Shall be subject to the following penalties:

First Offense: \$75 to \$1,000 fine and/or suspension up to five (5) days.

Repeated and/or Aggravated Offense: \$100 to \$1,000 fine and/or suspension for seven (7) to twenty-nine (29) days and/or revocation.

SECTION XVI NEIGHBORHOOD CABS

RULE 16.01 Neighborhood Cab Requirements.

All taxicabs whose licenses were issued pursuant to Section 9-112-380(b)(3) of the Municipal Code of Chicago shall comply with the following for a period of five (5) years following the issuance of the license.

- a. Each vehicle licensed shall have the words “Neighborhood Cab” painted or otherwise permanently affixed on both front door panels and on the left rear of the vehicle in plain gothic figures, either in black or white (whichever provides the most contrast with the background color of the location where such words are affixed), with at least ½ inch-wide stroke and three inches in height.
- b. Each vehicle licensed shall have the letter N inscripted in plain block type at least three inches in height on the top light of the vehicle both before and after the medallion number of the taxicab to which the top light is affixed and in the identical color in which the medallion number is inscripted on the top light.

- c. Vehicles which were licensed as taxicabs prior to the effective date of this rule shall be in compliance with paragraphs (a) and (b) immediately above no later than October 1, 2000. Vehicles to be licensed as taxicabs after the effective date of this rule must be in compliance with paragraphs (a) and (b) above as a condition of licensing.
- d. The two-way radio dispatch system linking the vehicle must be turned on and be clearly audible to the driver at all times when the vehicle is in operation.
- e. All taxicabs whose licenses were issued pursuant to Section 9-112- 380(b) of the Municipal Code of Chicago must be an affiliate in good standing with a taxicab affiliation licensed by the City of Chicago. Licensees and their employees, agents, or contractors, when operating the vehicle are required to notify the dispatcher at their affiliation immediately for each instance when the driver begins or ends a period of time when the taxicab is being operated.
- f. Licensees and their employees, agents, or contractors, when operating the vehicle are required to give priority to responding to all dispatch requests for service broadcast over the two-way radio system of the affiliation. It shall be prima facie evidence that a violation of this rule has occurred if the affiliation to which the licensee belongs has failed to provide a taxicab to the customer requesting dispatch service within thirty minutes of the request being made and either: (1) the licensee's taxicab is in operation, unoccupied at the time the dispatch request was made and the location of where the last passenger transported by the taxicab was discharged is within 10 miles of the location of the customer requesting service, or (2) the licensee's taxicab is in operation, unoccupied at any time within 15 minutes following the time the dispatch request was made, and the location of where the last passenger transported by the taxicab was discharged is within five miles of the location of the customer requesting service. It shall be an affirmative defense to an alleged violation of this subsection if (1) another driver in the affiliation had accepted or was assigned to answer the dispatch request and failed to do so; (2) the licensee's taxicab was involved in an accident or had a mechanical breakdown which prevented the driver from responding to the call; (3) severe inclement weather had a measurable adverse impact on traffic conditions; or (4) the licensee's taxicab arrived at the location of the customer requesting service more than thirty but less than 45 minutes following the time the dispatch request was made.
- g. Licensees shall submit to the Department of Consumer Services quarterly statements from their affiliations which indicate the total number of radio dispatch requests received by the affiliation; the total number of radio dispatch requests received by the affiliation which did not result in a cab arriving at the location requested by the radio request within thirty minutes

of the request; and the total number of radio dispatch requests which were answered by the licensee's taxicab. These quarterly statements should be should be filed not later than February 1 (covering the period of the preceding October 1 through December 31); May 1 (covering the period of the preceding January 1 through March 31); August 1 (covering the period of the preceding April 1 through June 30); and November 1 (covering the period of the preceding July 1 through September 30).

- h. All taxicabs whose license (medallion) number ends in an odd number are required to operate exclusively in designated underserved areas a minimum of eight continuous hours a day between 6:00 a.m. and 10:00 p.m., Monday through Saturday, on odd numbered days of the month. All taxicabs whose license (medallion) number ends in an even number are required to operate exclusively in designated underserved areas a minimum of eight continuous hours a day between 6:00 a.m. and 10:00 p.m., Monday through Saturday, on even numbered days of the month. "Operating exclusively in designated underserved areas" means such cabs may discharge passengers at any location, but must only accept passengers in designated underserved areas. The "continuous" operation required by this rule shall be interpreted to allow a driver to take breaks for his comfort and convenience. It shall be a rebuttable presumption that a violation of this rule has occurred when any taxicab required to operate exclusively in an underserved area on a particular day(s) pursuant to this paragraph either accepts or solicits passengers in a non-underserved area, or is located in a cab stand or airport staging area between 6:00 a.m. and 10:00 p.m. on that day. This presumption may only be rebutted by documentary evidence, consisting of the vehicle trip log, indicating that the vehicle operated in full compliance with this paragraph on the day in question. For those licenses issued in 1998 and 1999, designated underserved area as used in this paragraph means any location in the City of Chicago designated an underserved area by the Commissioner. For those licenses issued in 2000, designated underserved area means within the area boundaries targeted for service by the licensee in the agreement signed by the licensee prior to the original issuance of the license.
- i. Any taxicab in violation of paragraphs (a), (b), or (g) of this rule shall be suspended immediately until such time as the Department of Consumer Services certifies that it is in compliance. In addition to the suspension, after notice and a hearing, the license may be subject to a fine of not less than \$200 nor more than \$750. Any violation of paragraphs (d), (e), (f), or (h) of this rule shall be liable for a fine of not less than \$500 nor more than \$750 and/or suspension of the license for up to 29 days, or revocation of the license.

SECTION XVII UNDERSERVED AREAS

RULE 17.01 Designation of Underserved Areas.

Underserved areas are hereby designated as:

- a. All areas within the corporate limits of the City of Chicago which are located either: north of Devon Avenue; west of Ashland Avenue between Devon Avenue and Grand Avenue; west of Halsted Street between Grand Avenue and Roosevelt Road; or south of Roosevelt Road.
- b. Notwithstanding the boundaries of paragraph (a) above, O’Hare Airport, Midway Airport, and McCormick Place are not designated as underserved areas.
- c. Notwithstanding the boundaries of paragraph (a) above, the Grand Ballroom of Navy Pier is designated an underserved area.

RULE 17.02 Ground Transportation Tax Credit Program for Operating in Underserved Areas.

- a. Subject to the requirements listed below, Taxicab Medallion License Holders are eligible to participate in a program allowing a ground transportation tax credit of up to 50 percent for each calendar month that his taxicab is operated in underserved areas.
- b. For purposes of this rule, “operating in underserved areas” means transporting fares which originate and/or terminate in an underserved area.
- c. For purposes of this rule, “underserved areas” means any location in the City of Chicago in an area excluding O’Hare Airport, Midway Airport, McCormick Place, and the area bounded on the north by Irving Park Road, on the west by Ashland Avenue, on the south by Roosevelt Road, and on the east by Lake Michigan.
- d. Taxicab Medallion License Holders wishing to participate in the ground transportation tax credit program must fully and accurately complete an application form designated by the Department of Revenue. Information to be included on the application form will include, but is not limited to:
 1. A statement as to whether the applicant will be the sole driver of the taxicab or if he will be leasing it to others; and
 2. If the taxicab will be leased to others, the applicant’s certification that each lessee will, as a condition to leasing the taxicab, agree to prepare a daily trip sheet on a form prescribed by the Department of Revenue and as required in paragraph (e) below. The application form must be completed and submitted to the Department of Revenue at least thirty days before the first day of the first month in which the Taxicab Medallion License holder wishes to participate in the program. After

approval of the application by the Department of Revenue for completeness and accuracy, the applicant will be approved for participation in the program. No Taxicab Medallion License Holder who has not been approved for participation in the program will be eligible for a credit.

3. Those Taxicab Medallion License Holders seeking a ground transportation tax credit shall keep daily trip sheets on the form prescribed by the Department of Revenue for each vehicle for which a credit is claimed. Each trip sheet shall indicate the time and location for each fare accepted and the time and location for each fare discharged. All trip sheets shall bear the signature of the chauffeur and the chauffeur license number operating the vehicle on that day. All trip sheets shall be made available to the Department of Revenue or the Department of Consumer Services upon request.
4. The amount of ground transportation tax credit to be allowed shall be determined by multiplying the monthly tax otherwise due for that month by a fraction, the numerator of which shall be the number of fares transported to or from the underserved areas designated in paragraph (c) above during the month, and the denominator shall be the total number of fares transported during the month. The credit authorized by this rule shall not exceed 50 percent of the total tax otherwise due for a month.
5. A rebate on lease payments amounting to two-thirds of any tax credit earned by the Licensee pursuant to this rule must be rebated to any chauffeur(s) operating the taxicab during the time in which the credit was earned. If more than one chauffeur was operating the taxicab or livery during the month in which the credit is claimed, the amount to be rebated shall be prorated among the chauffeurs according to the number of fares accepted or discharged in the underserved area while each was operating the taxicab. The Licensee must file a certification with his ground transportation tax return to the Department of Revenue that any rebates due drivers have been credited.

SECTION XVIII MISCELLANEOUS

RULE 18.01* Illegal Parking.

Parking a taxicab in violation of the Municipal Code of Chicago shall constitute a violation of these rules and regulations. Failure to pay fines upon conviction for violations or the existence of complaints in default for more than thirty (30) days may be cause for nonrenewal of a Taxicab Medallion License under Section 4-4-150 of the MCC.

RULE 18.02* Lost and Found.

Any License Holder having a lost-and-found office shall register with Department of Consumer Services-Public Vehicle Operations Division and provide the telephone number, name and title of the person responsible for its operation. The License Holder shall promptly notify the Commissioner whenever there is a change in the information provided. Any License Holder not maintaining a lost-and-found office who discovers passenger property left in his vehicle shall have the duty to turn in to the Commissioner for safekeeping all passenger property left in License Holder's taxicab within twenty-four (24) hours of the time the property was found.

RULE 18.03 Timely Submission of Documents and Records.

- a. Every Taxicab Medallion License Holder or applicant shall submit to the Department of Consumer Services all forms, letters, documents, certificates of insurance, applications, application fees and other records required under Chapter 9-112 of the MCC and by these rules and regulations on or before their due date. Failure to comply may result in suspension of all licenses held by the licensee, or denial of any application submitted, until such records are produced.
- b. No Taxicab Medallion License Holder or applicant shall submit records to the Department of Consumer Services or other city agency which contain material misstatements of fact or material omissions of fact. The submission of records governed by this rule includes, but is not limited to, records submitted: in response to a request from the Department of Consumer Services; in conjunction with a ground transportation tax return filed with the Department of Revenue; or for the purpose of identifying chauffeurs responsible for parking citations issued against the licensee's vehicles; or application for license.
- c. Violations of this rule shall constitute an aggravated offense as defined in Section XV of these Rules and Regulations.

RULE 18.04 Duty to Provide Emergency Telephone Number.

Taxicab Medallion License Holders and affiliations shall maintain a business telephone service by which the Commissioner can reach the License Holder or his agent within sixty (60) minutes on a 24-hour-per-day basis.

RULE 18.05 Coupons and Vouchers.

Holders of a Taxicab Medallion License(s) may issue coupons or vouchers which may be used in lieu of cash for payment of taxicab fares. If the holder of a taxicab license sells or makes available for sale such coupons or vouchers, it must provide a ten percent discount on coupons purchased by or for the use of persons who are sixty-five (65) years of age or older. This discount must be offered to persons indicating that they are purchasing the vouchers or coupons for the use of persons

entitled to such discount. Issuers of such coupons or vouchers purchased at discount may mark or otherwise indicate on such coupons or vouchers that they are only redeemable by persons entitled to the discount by ordinance or this rule.

SECTION XIX PUBLIC SALE OF TAXICAB MEDALLIONS

(Added October 20, 2006)

RULE 19.01 Issuance and Public Sale of Additional Taxicab Licenses.

- (a) Taxicabs Licenses shall be sold in lots consisting of one taxicab medallion per lot.
- (b) The Commissioner of Consumer Services shall place a public notice of the date and time upon which bids are due, the number of medallions to be sold, whether those medallions shall be sold as wheelchair-accessible medallions or medallions limited to specific uses or types of vehicles. Public notice shall be provided not less than thirty (30) days prior to the deadline for bidding. In the event that the Commissioner shall, in his or her discretion, postpone the public sale, the Commissioner shall place notice of such postponement beginning at least ten (10) days prior to the new deadline for bidding. The Commissioner may place such additional notices concerning the public sale of taxicab licenses as the Commissioner deems advisable.

RULE 19.02 Sale by Sealed Bid.

- (a) A bidder shall submit a sealed bid postmarked no later than the date set by the Commissioner in the public notice as the deadline for bidding. A bidder shall submit each sealed bid along with the deposit required under this Rule. Each bid must be mailed in a separate envelope with proper postage attached. Bids will be mailed to the address indicated in the Public Notice for the particular taxicab medallion sale.
- (b) A bidder must submit a bid on a form provided by the Commissioner, which will be available through the Department of Consumer Services.
- (c) Each bid may be submitted by an individual, corporation, L.L.C. or partnership.
- (d) A bidder may submit separate bids to the limit contained in the public notice for the public sale.
- (e) Bids may be rejected as non-responsive and returned to the bidder (i) if more than one bid is submitted in the same envelope, (ii) if mailed without proper postage, (iii) if mailed to an improper address, (iv) if postmarked later than the date allowed; (v) if the bid form is not fully completed, or (vi) if otherwise the bid does not conform to the specifications for bids set forth in the public notice. Bids rejected shall have the bidder's deposit returned.
- (f) Each bid must be accompanied by the following:
 - 1. a sealed bid submitted by the bidder in a 9" x 12" sealed envelope
 - 2. a deposit of \$7,500.00 for each taxi medallion for which the a bidder submits a bid, in the form of a certified check, cashier's check, or money order payable to the "City of Chicago Department of Consumer Services." The deposit must include, on the face of the draft, the complete name of the bidder as stated on the application.

RULE 19.03 Upset Price.

- (a) The minimum price for taxi license medallions to be sold, (the “Upset Price”), shall be determined by the Commissioner. The Commissioner may establish a different Upset Price for wheelchair-accessible medallions or medallions limited to specific uses or types of vehicles.
- (b) The Upset Price shall be set in the public notice. Any bids received for less than the Upset Price shall be rejected as non-responsive.

RULE 19.04 Selection of Successful Bids.

- (a) Bids shall be opened in the manner indicated in the public notice.
- (b) Tie bids will be decided by random selection.
- (c) Successful bidders will be notified by certified mail. Successful bids may also be posted at Department of Consumer Services’ Offices or on the Department’s web site.

RULE 19.05 Post-Selection Application Process.

- (a) Within forty-five (45) days following the date of the mailing of notification by certified mail, a successful bidder shall complete the application process for a taxicab medallion as provided in Chapter 9-112 MCC and the Department of Consumer Services Rules and Regulations for Taxicab Medallion License Holders. The Commissioner may extend the 45-day period for reasonable cause shown.
- (b) After approval of the successful bidder’s application, but prior to the issuance of the license, the successful bidder must submit the total balance of the successful bid amount as well as all applicable licensing fees for the medallion by certified check, cashier’s check, credit cards, or money order made payable to the City of Chicago, Department of Consumer Services.
- (c) Successful bids are not transferable. All application documents must be made in the name of the successful bidder except an individual submitting a winning bid may submit an application for a license on behalf of a corporation or L.L.C. if the individual submitting the successful bid owns one-hundred percent (100%) of the interest in the entity to be licensed.
- (d) After a successful bidder’s application is approved and the medallion is issued, the license may be transferred pursuant to the restrictions and transfer fees provided in Chapter 9-112 MCC and otherwise imposed by law.
- (e) All deposits of successful bidders shall be credited toward the sale price. If a successful bidder fails to meet qualifications for issuance of a medallion taxicab license, the deposit shall be forfeited to the City of Chicago Department of Consumer Services.

RULE 19.06 Non Successful Bid Review.

- (a) A list of all responsive, non-successful bids in the order of the highest amount bid shall be maintained for each public sale of taxicab licenses
- (b) If a successful bidder does not complete the post-selection application process, the Commissioner may send notice to the highest ranking responsive unsuccessful bidder on the list and allow that bidder the opportunity to be a successful bidder under these rules. A responsive unsuccessful bidder shall have fourteen (14) days from the date of notification to accept by re-depositing \$7,500.00 in certified check, cashiers check or

money order with the Department of Consumer Services. Upon submission of the new \$7,500.00 deposit, the bidder shall be declared a successful bidder having received notice and shall submit the total balance of the successful bid amount and complete the application process as provided in this section. If a responsive non-successful bidder fails to accept the opportunity to become a successful bidder by making the redeposit within seven (7) days, the bidders name shall be removed from the list of responsive unsuccessful bids.