



**Industry Notice #13-03
For Immediate Release**

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LEASE CAP UPDATE

David Yassky
Commissioner/Chair

Office of
Public Affairs

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The Commission has received inquiries from medallion owners, agents and drivers concerning the application of Section 58-21(c)(4) to an agent or owner who, prior to adoption of Section 58-21(c)(4), contracted for the conditional sale of a vehicle to a driver, which sale has not yet been completed or entered into an agreement for the finance of a vehicle.

The Lease Cap for a Medallion **PLUS** vehicle finance/purchase charges under Section 58-21(c)(4) (the "All-In Lease Cap") is

- \$1347 weekly for conventionally powered and wheelchair accessible vehicles (58-21(c)(4)(ii)(B); and
- \$1389 weekly for hybrid-electric vehicles and vehicles powered by CNG (58-21(c)(4)(ii)(A).

The All-In Lease Cap can be charged for a lease related to any one vehicle for up to 156 weeks, however it cannot be charged at any time after title to the vehicle passes (or could have passed) to the lessee. The All-In Lease Cap can only be charged for weeks that begin on or after September 30, 2012.

The All-In Lease Cap amount was set by the Commission on the assumption that the vehicle being sold is a new vehicle. Accordingly, the 156-week period in Section 58-21(c)(4)(ii)(C) begins on the date the vehicle is first leased after hack-up. An owner or agent who leases a medallion to a driver may charge a lease rate up the amounts specified in Section 58-21(c)(4)(ii)(A) and Section 58-21(c)(4)(ii)(B) only if the medallion is leased in conjunction with the finance or conditional sale of a vehicle, as described in Section 58-21(c)(4), and the vehicle has been operated fewer than 157 weeks since the vehicle was hacked-up.

An agent or owner who leases a medallion not in conjunction with the finance or conditional purchase of a vehicle, or who leases a medallion in conjunction with the conditional purchase of a vehicle that has been hacked-up for more than 156 weeks, may charge no more than the amount specified in Section 58-21(c)(1), Section 58-21(c)(2) or Section 58-21(c)(3), as appropriate.