

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Taxi and Limousine Commission (“TLC”) is proposing to amend its rules to improve wheelchair accessible taxicab service by changing how the Taxi Improvement Fund is administered primarily by eliminating the maintenance payments to owners and the \$1 incentive payments to the drivers and increasing the grant payment for conversion from \$14,000 to \$35,000.

When and where is the Hearing? TLC will hold a public hearing on the proposed rule. The public hearing will take place at 10:00 am on January 9, 2025. The public hearing will be held online using Zoom. There will be no in person public hearing. The public hearing will be livestreamed on TLC’s website at www.nyc.gov/tlc. To participate in the public hearing, please e-mail the TLC at tlcrules@tlc.nyc.gov or call TLC at 212-676-1135 by January 8, 2025. After you have signed up to speak, TLC will provide you with a Zoom URL to enter in on your computer or dial-in via phone number if you prefer to call in.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC rules website at www.nyc.gov/nycrules.
- **Email.** You can email comments to tlcrules@tlc.nyc.gov.
- **Mail.** You can mail comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22nd Floor, New York, NY 10004.
- **Fax.** You can fax comments to the TLC at 212-676-1102.
- **By speaking at the hearing.** To sign up to speak and provide testimony, you must e-mail the TLC at tlcrules@tlc.nyc.gov or call 212-676-1135 by 5:00 p.m. on January 8, 2025. Speakers will not be able to sign up to testify the day of the hearing. Those who did not sign-up in advance to testify are welcome to view the live-stream of the meeting on TLC’s website. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

Is there a deadline to submit written comments? Yes, you must submit written comments by January 9, 2025.

Do you need assistance to participate in the Hearing? You must tell the Office of Legal Affairs if you need a reasonable accommodation of a disability at the Hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at 212-676-1135. You must tell us by January 8, 2025. This

location has the following accessibility option(s) available: Simultaneous transcription for people who are deaf or hard of hearing and audio only access.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at www.nyc.gov/nycrules. A few days after the hearing, copies of all comments submitted online, copies of all written comments, and a summary of oral comments concerning the proposed rule will be available to the public at the Office of Legal Affairs.

What authorizes the Commission to make this rule? Sections 1043 and 2303 of the City Charter and Section 19-503 of the New York City Administrative Code authorize the Commission to make this proposed rule. This proposed rule was not included in TLC’s regulatory agenda for fiscal year 2024 because it was not contemplated when the Commission published the agenda.

Where can I find the Commission’s rules? The Commission’s rules are in Title 35 of the Rules of the City of New York.

What rules govern the rulemaking process? TLC must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the City Charter.

Statement of Basis and Purpose

This proposed rule package will substantially increase the Hack-Up Payment to Medallion Owners in order ease the burden of compliance with TLC’s recently adopted rule requiring that all taxicab hack-ups must be with Wheelchair Accessible Vehicles.

In order for TLC’s Taxicab Improvement Fund (“TIF”) to afford the increased upfront payments, the proposal will eliminate the Accessible Vehicle Operation Payments that were previously paid to Medallion Owners under rule 58-50(h)(1)(ii) and the per-trip payment previously paid to Drivers of Accessible Taxicabs under rule 58-50(h)(2). Elimination of these payments became essential when the Memorandum Decision and Order of the United States District Court, Southern District of New York was released on August 29, 2024 (*The Taxis for All Campaign, et al v. TLC, et al* (11 Civ. 0237 (GBD))).

That Order mandates that the TLC “immediately take all necessary steps to modify TLC’s current 50% rule to implement a 100% Rule” to ensure that 50% of all active Medallions (those Medallions currently affixed to Taxicab Vehicles and not in storage) are being operated with a Wheelchair Accessible Vehicle (“WAV”) by March 31, 2025 and 50% of all authorized Medallions are attached to a WAV by the end of 2028.

Savings realized by eliminating the per-trip bonuses to Drivers and Operational Payments to Medallion Owners will be used to more than double the Hack-Up Payment amount to Medallion

Owners described in TLC Rule 58-50(h)(1)(i), from the current figure of \$14,000.00 to a new total of \$35,000.00.

For many Medallion Owners, purchasing and hacking up a WAV has become prohibitively expensive, despite the monies from the TIF that have been used to help Medallion Owners defray such costs in the past.

The manufacturer's suggested retail price ("MSRP"), when combined with expected sales taxes, expected fees, and standard financing, has climbed steadily in recent years to levels that put these vehicles out of reach for many buyers. For several of the most popular wheelchair accessible vehicles, the total cost estimate ranges anywhere from \$79,468.00 for a Ford Transit Connect Accessible to \$99,029.00 for a Toyota Sienna Hybrid Accessible. In contrast, the total cost estimate for the most popular non-accessible taxi vehicles ranges from \$40,345.00 for a Toyota Camry Hybrid to \$50,778.00 for a Ford Escape Hybrid. On average, the total cost of a WAV is almost twice that of a non-accessible vehicle.

This vast price differential has become cost-prohibitive for many private vehicle owners, ultimately forcing them to permanently take their vehicles out of service after retirement or risk declaring bankruptcy.

This rule package and the increased Hack-Up Payment amount that it contains, are designed to address these concerns.

TLC proposes the following changes in this rule package:

- updating the TIF definition by removing the option to use TIF funds for purposes beyond the costs of purchasing Accessible Vehicles, such as driver training and the Accessible Vehicle dispatch program.
- removing Taxi Improvement Driver Incentive Payments from the authorized non-cash payments made by Technology System Providers and E-Hail Application Providers to Drivers who lease Taxis.
- specifying that TIF may only be allocated to Medallion owners placing an accessible vehicle into service and removing authorized allocations to Drivers of Medallion vehicles.
- increasing TIF hack up payments from \$14,000 to \$35,000 and eliminating the \$16,000 allocation for operational payments going towards the maintenance of the accessible vehicle.
- establishing the TIF grant terms for Medallion owners receiving the initial hack up payment.
- repealing the technical requirements for Technology System Providers and E-Hail Application Providers relating to Taxi Improvement Driver Incentive Payments.

New material is underlined.

[Deleted material is in brackets.]

*** indicates unamended text.

Section 1. Section of 51-03 of Title 35 of the Rules of the City of New York is amended to read as follows:

Taxicab Improvement Fund is the City-managed fund, which is funded by the Taxicab Improvement Surcharge and from which subsidy payments will be made to Medallion Owners or their Agents, or Drivers, who are required to purchase an Accessible Vehicle pursuant to Section 58-50 of these rules, and to Drivers who operate Taxicabs required to be accessible pursuant to Section 58-50 of these rules. Monies remitted to the Taxicab Improvement Fund will be used to make grants of equal, set amounts to all vehicle owners of vehicles in use with Medallions who will be required to purchase Accessible Vehicles under Section 58-50 of these rules. [Monies in the Fund may also be used for other purposes, including, but not limited to, offsetting the costs associated with driver training and funding the Accessible Vehicle dispatch program established in Chapter 53 of these rules. Monies in the Fund will also be paid to Drivers who operate Accessible Taxicabs, including those required to be accessible pursuant to Section 58-50 of these rules.]

Section 2. Paragraphs (1) and (2) of subdivision (f) of section of 58-21 of Title 35 of the Rules of the City of New York are amended to read as follows:

(f) Non-Cash Payments.

- (1) For any lease of a Taxicab (vehicle and Medallion) under paragraph 58- 21(c)(1) or 58-21(c)(2), an Owner (or Owner's Agent) must pay a Driver, on a daily basis, the total amount of all non-cash payments, including E-Payments through the Technology System (if any), made during the Driver's shift, less the Taxicab Improvement Surcharge payable to the Taxicab Improvement Fund as set forth in Section 66-25. [For trips provided in WAV vehicles, the Taxicab Improvement Driver Incentive Payment (as specified in TLC Rule 58-50(h)(2)) shall be paid directly to the Driver by the Technology System Provider and/or E-Hail Application Provider at the time and in the manner required by the Commission.] Drivers leasing a Taxicab on a weekly basis under section 58-21(c)(1)(i)E, 58-21(c)(1)(i)F, 58-21(c)(2)(i)E or 58-21(c)(2)(i)F may, at the Driver's discretion, be paid on a weekly basis. Payments to a Driver and access to these funds must be provided at no cost to the Driver. An Owner or the Owner's Agent must:
 - (i) Pay the Driver, including any sublessee Drivers, and if the Owner or the Owner's Agent delegates or assigns this responsibility to another party, the Owner or the Owner's Agent shall be responsible for making full payment to the Driver if any designee or assignee fails to pay the Driver as required, and Driver reports non-payment to the Owner or Owner's Agent within 90 days of non-payment.

- (2) For any lease not described in paragraph (1), an Owner (or Owner's Agent) must pay the Driver, on no less than a weekly basis, the total amount of all non-cash payments, including E-Payments through Technology System (if any), made during that period, less the Taxicab Improvement Surcharge payable to the Taxicab Improvement Fund as set forth in Section 66-25. [For trips provided in WAV vehicles, the Taxicab Improvement Driver Incentive Payment (as specified in TLC Rule 58- 50(h)(2)) shall be paid directly to the Driver by the Technology System Provider and/or E-Hail Application Provider at the time and in the manner required by the Commission.] Payments to a Driver and access to these funds must be provided at no cost to the Driver. An Owner or the Owner's Agent must:
- (i) Pay the Driver, including any sublessee Drivers, and if the Owner or Owner's Agent delegates or assigns this responsibility to another party, the Owner or the Owner's Agent shall be responsible for making full payment to the Driver if any designee or assignee fails to pay the Driver as required, and Driver reports non-payment to the Owner or the Owner's Agent within 90 days of nonpayment.

Section 3. Subdivision (h) of section 58-50 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (h) *Taxi Improvement Fund Allocations.* Owners of Medallions who are seeking to place an accessible Taxicab into service and [Drivers of Medallions] who have submitted all required forms and documentation as specified by the Chairperson will receive allocations from the Taxi Improvement Fund as follows:

- [(1) Owners of Medallions who have placed an Accessible Taxicab into service as required under subdivisions (a) through (c) will receive:
- (i)] *Hack-up Payment.* A one-time subsidy payment of at least \$[14]35,000, determined by the Commission and posted on the Commission's website. Such payment will be the same for all eligible Medallion Owners. Such a payment will be allocated to a Medallion only if the Accessible Vehicle operating on such Medallion has not previously received such a payment. This determination will be based on the Vehicle Identification Number (VIN) of the Accessible Vehicle.
- [(ii) *Accessible Vehicle Operational Payments.* A series of equal payments adding up to a total of \$16,000. The frequency and amount of such payments will be determined by the Commission and posted on the commission's website, but such payments will be made at least three (3) times per year. Such payments will be the same for all eligible Medallion Owners. Payments will be issued provided that the Accessible Taxicab:
- A. Meets the vehicle inspection requirements of section 58-29 of these Rules,

- B. With the exception of the first payment following initial Hack-up, has completed a minimum of 250 Passenger trips since the previous inspection.
 - C. Was logged onto the Accessible Taxi Dispatcher system through the Dispatch Equipment while in operation during the period since the previous inspection.
- (2) Drivers of Accessible Taxicabs will receive periodically a per-trip payment for each Passenger trip while driving an Accessible Taxicab. The per-trip payment amount will be determined based on a review of available funds and the availability of drivers. The per-trip payment amount will be posted on the TLC Web site.
 - (3) Allocation amounts provided for in paragraphs (1) and (2) of this subdivision will be reviewed and adjusted as provided in subdivision (h) of this section.]

Section 4. Section 58-50 of Title 35 of the Rules of the City of New York is amending by adding a new subdivision (i), to read as follows:

(i) Terms of Taxi Improvement Fund Grants.

(1) Medallion Owner Application.

- (i) A Medallion Owner must file an application for a grant in the form and manner specified by the Chairperson and must provide all documentation required by the Commission. The Medallion Owner is subject to all requirements of this Chapter regarding representations and information provided to the Chairperson.
 - a. The application for the grant must be submitted within six months of the date on which the Accessible Vehicle is Hacked-up.
- (ii) The Medallion Owner must place the Accessible Vehicle into service before the payment from the Taxi Improvement Fund will be provided to the Medallion Owner.
- (iii) A Medallion will be eligible for a Taxi Improvement Fund grant once every seven years. Provided, however, that in no instance will a grant be paid more than once for the same Accessible Vehicle.

(2) No Outstanding Fines or Fees.

All open items against the Medallion Owner must be cleared, including but not limited to summonses issued by the Commission, outstanding fines and penalties owed to the Commission and incomplete License renewal requirements.

(3) Causes For Denial.

The Chairperson may deny a Taxi Improvement Fund application submitted by an Owner who fails to meet the requirements of these rules. The Commission will inform the Owner, in writing, of the specific reason(s) for this denial. In addition to other reasons set forth in this subchapter, the Chairperson may deny an application for funding if any of the following occurs:

- (i) The Medallion Owner has failed to submit all of the required documentation within 30 days of the initial submission of the Taxi Improvement Fund application.
- (ii) The history of the Medallion Owner, including substantiated complaints of fraudulent activity or criminal convictions, indicates that, in the judgment of the Chairperson, the application should be denied.
- (iii) There are material misrepresentations or material errors of omission in the Taxi Improvement Fund application or accompanying documentation.
- (iv) The Owner attempts to conceal the identity of a party having an interest in the ownership of the Medallion.

(4) Additional Consideration of an Application for a Taxi Improvement Fund Grant.

If a review of the application leads the Chairperson to believe that the Owner-Applicant may not be qualified to receive a Taxi Improvement Fund grant, the Chairperson may seek additional information from the Owner-Applicant. This request for additional information may be an in-person interview, telephone call, letter, e-mail, or other method of communication. This additional consideration may result in the denial of the application. Failure to provide any requested information within the time frame requested, or failure to appear at a scheduled interview will result in denial of the application of the Taxi Improvement Fund grant.

(5) Service Requirements.

- (i) The Taxi Improvement Fund allocation will be awarded for a qualified Accessible Vehicle as defined in section 67-06(b)(1) of TLC Rules.
- (ii) The Vehicle Identification Number (VIN) of the qualified Accessible Vehicle will be recorded by TLC for the purposes of TIF funding allocation. The Taxi Improvement Fund allocation will only be available for a specific VIN on one occasion.
- (iii) The Medallion Owner must ensure that the Medallion remains Hacked-Up with an Accessible Vehicle for a period of five consecutive years.

<u>58-50(i)(5)(iii)</u>	<u>Suspension until compliance</u> <u>Fine: \$5000 AND</u> <u>Restitution of Hack-up Payment</u>	<u>Appearance NOT REQUIRED</u>
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(6) Failure to Meet Requirements.

- (i) If the Medallion Owner fails to keep an Accessible Vehicle in service for the full period of five years, the equivalent of funds on a pro rata basis, determined by the number of months an Accessible Vehicle was not in service during the 5-year period beginning when the grant was made available to the Medallion owner, must be repaid by the Medallion Owner to the Commission.
- (ii) The Accessible Vehicle must remain active for the full period of five years, in accordance with Administrative Code Section 19-504(g), except where storage is required by TLC Rule 58-30(c), TLC Rule 58-46(a) or TLC Rule 58-46(c).
- (iii) The Medallion Owner must comply with orders from the Commission to repair or replace the Accessible Vehicle within 10 days.

<u>58-50(i)(6)</u>	<u>Suspension until compliance</u> <u>Fine: \$5000 AND</u> <u>Restitution of Hack-up Payment</u>	<u>Appearance NOT REQUIRED</u>
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Section 5. Paragraphs (4), (5) and (6) of subdivision (a) of section 66-25 of Title 35 of the Rules of the City of New York, relating to the payment of Taxicab Improvement Driver Incentive Payments and payment of the Taxicab Improvement Surcharge, are REPEALED.

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Amendment of Rules Relating to Taxicab Improvement Fund

REFERENCE NUMBER: 2024 RG 122

RULEMAKING AGENCY: Taxi and Limousine Commission

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Senior Counsel

Date: December 2, 2024

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Amendment of Rules Relating to Taxicab Improvement Fund

REFERENCE NUMBER: TLC-151

RULEMAKING AGENCY: Taxi and Limousine Commission

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because a cure period is not practicable under the circumstances.

/s/ Francisco X. Navarro
Mayor's Office of Operations

December 3, 2024
Date