

# NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

## **Notice of Promulgation**

Notice is hereby given in accordance with section 1043(b) of the New York City Charter (“Charter”) that the Taxi and Limousine Commission (“TLC”) promulgates amendments to its vehicle specification rules governing non-accessible taxicab vehicles.

The rule is promulgated pursuant to sections 1043 and 2303 of the Charter and section 19-503 of the Administrative Code of the City of New York. This rule was published in the City Record on December 12, 2022 for public comment. On January 11, 2023 a public hearing was held virtually by the TLC and the rule was adopted by the Commission on January 25, 2023.

## **Statement of Basis and Purpose**

Pursuant to Local Law 147 of 2018, which sought to create a process where certain conditions and circumstances of TLC drivers were studied before issuing new licenses, the number of For-Hire Vehicle (FHV) licenses was frozen at slightly above 115,000, and a pause on issuing new licenses was enacted. TLC promulgated rules establishing the criteria for periodic review of this license pause, when to lift the pause, and when to issue new FHV licenses and to which types of vehicles. *See* 35 RCNY 59A-06. Consistent with Local Law 147 of 2018, TLC may issue new FHV licenses without undertaking formal rulemaking if such addition will increase the availability of for-hire services in different geographic areas of the city where such services are needed and where such additional licenses will not substantially contribute to traffic congestion. Based on the TLC’s For-Hire Vehicle License Review Report and Determination of August 2022, which found that with the number of active vehicle licenses continuing to decrease, passenger wait times remaining steady, and trips and driver pay continuing to increase, TLC has determined that the industry can absorb new vehicles without undermining the goals of LL 147 of 2018.

Beginning in 2023, TLC will issue up to 1,000 new FHV licenses for electric vehicles, as described in its August 2022 report. These licenses will be restricted to use with battery electric vehicles, helping to electrify the TLC-licensed fleet, drive the demand for and the development of more public and private charging infrastructure, and allow drivers to avoid the volatility and high costs of gasoline. These vehicles will support the goals of modernizing the FHV fleet; using vehicles that cost less to operate; prevent the ill effects of vehicle idling; and will encourage more investment in an EV charging infrastructure.

400 of these battery electric vehicle licenses will be distributed on a first come, first served basis to anyone who meets the licensing criteria, including but not limited to the purchase of an electric vehicle, submitting proof of insurance and payment of application fees, as set forth in subchapter 59A of chapter 59 of Title 35 of the Rules of the City of New York. Applicants for these 400 unrestricted licenses may obtain more than one license, initially up to 25 per Social Security number or Employer Identification Number (“EIN”). Depending upon the demand

shown for these newly released licenses, TLC may increase the number per Social Security number or EIN after the release of the licenses.

Of these 1,000 new licenses, the TLC will restrict 600 battery electric vehicle licenses to individual drivers to allow drivers who have been leasing a vehicle the opportunity to own instead of lease a licensed TLC vehicle. These individual, non-transferable licenses will provide drivers currently stuck leasing their vehicles with an opportunity to own their own vehicles. Reserving a number of the new available licenses for individual, non-transferable licenses is meant to balance the opportunities for individual drivers to purchase with the current realities of the market. As set forth in the rules, to obtain a restricted license, a driver must first submit a statement of interest, and TLC will contact drivers to submit an application based on that statement. If a driver's application is denied, the TLC will contact the next driver on the list to begin the application process.

The rule also changes the length of the TLC's license pause review from six months to twelve months, after the next review in February 2023. Six months is too short a period of time to issue new licenses and meaningfully assess their impact. Shifting to an annual review will provide a more adequate period of time to assess the impact of issuing new licenses and to determine whether to issue additional licenses.

Finally, the rule provides that beginning in August 2023, the TLC will cease issuing licenses to drivers who had long-term leases in effect prior to August 2018 with a lease to buy option to obtain an FHV license. This allowance for applicants with lease-to-purchase agreements is no longer necessary because long-term leases entered into prior to August 2018, even if they were for a five-year term, would expire by August 2023.

The Commission's authority to promulgate this rule is found in sections 2303 and 2304 of the New York City Charter and section 19-503 of the New York City Administrative Code. The rules that the Commission is seeking to amend are contained within Chapters 58 and 82 of Title 35 of the Rules of the City of New York.

New material is underlined.

[Deleted material is in brackets.]

Section 1. Subdivision (a) of Section 59A-06 of Title 35 of the Rules of the City of New York is hereby amended by adding paragraphs (3) and (4) to read as follows:

#### **§59A-06 Licensing – Term of License**

(a) *New License.* The term of a new For-Hire Vehicle License is two years.

(1) *New License Issuance.* [One year following the effective date of this rule, and every six months thereafter] Beginning February 2023, the Commission will review the number of For-Hire Vehicle Licenses, pursuant to section 19-550(b)(2) of the Administrative Code of the City of New York and determine the number of For-Hire Vehicle Licenses, if any, to issue in the

[six (6)] twelve months following such review and the types of vehicles to which the Commission will issue such new Licenses. In reviewing the number of Licenses to issue in the next [six] twelve months, the Commission will review congestion levels, driver pay, License attrition rates, outer borough service, availability and demand for battery electric vehicles, availability of battery electric vehicle charging infrastructure, and any other information it deems relevant to determine the number of Licenses to issue. The results of such review, and the number of new For-Hire Vehicle Licenses the Commission will issue, will be posted on the Commission's website. The Commission will not issue new For-Hire Vehicle Licenses until such time as it completes its first review of the number of For-Hire Vehicle Licenses pursuant to this section.

(2) *Exceptions.* Notwithstanding paragraph (1) of this subdivision, the Commission will continue to issue new Licenses to:

(i) Wheelchair accessible vehicles, and

(ii) [An] Until August 13, 2023, an applicant who possesses a TLC Driver's License, provides written proof that the applicant entered into a lease for the use of a licensed for-hire vehicle that contains a conditional purchase agreement for the vehicle prior to August 14, 2018, and demonstrates that the term of such lease is no less than two (2) years.

(3) *New Electric Vehicle License Issuance for individual Drivers.* The Commission may make available individual, non-transferable For-Hire Vehicle Licenses that are restricted to fully battery electric vehicles, powered only by electric batteries and not gasoline. Such License may be required to be registered to a Driver using the Driver's individual name and personal Social Security number. When such requirement applies, no Driver may apply for more than one such license or hold additional for-hire vehicle licenses.

(i) In order to apply for such restricted electric vehicle license, a statement of interest must be submitted using an online form prescribed by the Commission. Applicants who submit a statement of interest will be contacted by the Commission on a first-come-first-served basis until the number of submitted statements of interest matches the total number of available individual, non-transferable licenses.

(ii) Applicants will have one hundred and twenty (120) days from the date they are contacted by the Commission to submit a complete license application, fulfilling all licensing requirements, including but not limited to the purchase of an electric vehicle, the submission of proof of insurance, payment of application fees, and the possession of a valid Driver license. Additionally, vehicles must pass inspection within 60 days after their first scheduled inspection.

(iii) Any Applicant who is contacted and has not completed all the requirements of the application will have their application denied. The next Applicant on the list will be contacted to begin the application process. An Applicant who has their application denied may submit a new statement of interest and be added to the bottom of the list.

(4) *New Electric Vehicle License Issuance for any applicant.* The Commission may make available For-Hire Vehicle Licenses that are restricted to fully battery electric vehicles, powered only by electric batteries and not gasoline. Such License may be made available on a first-come-first-served basis to an Applicant and shall initially be restricted to a maximum of 25 such new electric vehicle licenses per individual Social Security number or Employer Identification number. It will be within the Chairperson's discretion after the initial release of the licenses to increase the maximum number of new electric vehicle licenses per individual Social Security number or Employer Identification number, depending upon the interest shown by the public in applying for such licenses. Applications will be submitted in a form approved by the Chairperson, and the Commission will post application procedures on its website at least fifteen calendar days prior to the release of such applications.