

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 (the TLC) is proposing amendments to the Taxi Improvement Fund Allocations rules which would increase the amount of hack-up costs disbursed to medallion owners prior to placing a Wheelchair Accessible Vehicle into service. Additionally, the TLC is proposing amendments to the Medallion service rules that would permit medallion owners to place a used Wheelchair Accessible Vehicle into service, as well as increase the amount of time required for an Wheelchair Accessible Taxicab to remain in service while eliminating the vehicle retirement requirement for Wheelchair Accessible Taxicabs.

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 November 29, 2023. 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 November 28, 2023 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:

- **Mail.** You can mail comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22nd Floor, New York, New York 10004.
- **Fax.** You can fax comments to the Taxi and Limousine Commission, Office of Legal Affairs, at 212-676-1102.
- **Email.** You can email comments to tlcrules@tlc.nyc.gov.
- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC rules Web site at www.nyc.gov/nycrules.
- **By Speaking at the Hearings.** Anyone who wants to comment on the proposed rule at the public hearings must sign up to speak. You can sign up before either hearing by calling 212-676-1135 or by emailing at tlcrules@tlc.nyc.gov. You can speak for up to three minutes.

Is there a deadline to submit comments? Yes, you must submit comments by November 28, 2023.

Do you need assistance to participate in the Hearings? 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 November 22, 2023.

Can I review the comments made on the proposed rules? A few days after the hearing, a transcript of the hearing and copies of the written comments 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 New York City Charter and section 19-503 of the Administrative Code of the City of New York authorize the Commission to make this proposed rule. This proposed rule was not included in the Commission’s regulatory agenda for this Fiscal Year because the need for 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? The Commission 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(b) of the City Charter.

STATEMENT OF BASIS AND PURPOSE OF RULE

Given the financial state of the medallion industry over the last several years, which was aggravated by the pandemic, coupled with the TLC's mandate to have 50% of the medallion fleet comprised of Wheelchair Accessible Vehicles, the TLC proposes to take proactive steps to facilitate the agency's long-term commitment to accessibility for all New Yorkers.

As evidenced by the TLC's 2022 annual review of the Taxi Improvement Fund (TIF) fund, increased costs related to placing Wheelchair Accessible Vehicle medallions into taxi service added to ongoing maintenance and operation costs place a significant financial strain upon medallion owners.

https://www.nyc.gov/assets/tlc/downloads/pdf/tif_report_2022.pdf

“The purpose of the Taxi Improvement Fund is to offset the higher cost of operating accessible taxicabs for Drivers and Owners. Compared to non-accessible taxicabs, accessible vehicles cost more upfront because of the wheelchair ramp mechanism. Accessible vehicles are also less fuel efficient because of the additional weight of the ramp, and they have higher maintenance costs.”

The TLC's proposed changes to the TIF and other rules relating to Wheelchair Accessible Vehicles will comprise a multi-faceted approach consisting of:

- Re-apportioning the TIF allocations to provide a 43% increase in the initial disbursement for hack-up costs to place a Wheelchair Accessible Vehicle into service as a Wheelchair Accessible Taxicab.
- Disbursing the TIF funds directly to vehicle dealerships or accessible vehicle converters, on behalf of eligible medallion owners, prior to hacking up the vehicle.
- Eliminating the scheduled vehicle retirement dates for new Wheelchair Accessible Vehicles placed into service, in addition to currently licensed Accessible Taxicabs (vehicles must still pass regularly scheduled inspections).
- Increasing the minimum amount of time that a Wheelchair Accessible Vehicle must remain in service from four years to five years.
- Permitting the conversion of used vehicles to Wheelchair Accessible Vehicles in accordance with the TLC's proposed criteria for used vehicle conversion.
- Clarifying TLC's re-hacking rules to ensure that medallions eligible for re-hacking new vehicles adhere to TLC's existing accessible requirements.

The TLC is hopeful that this strategic approach will allow it to achieve its goal of substantially increasing the number of Wheelchair Accessible Vehicles on the road, thereby providing access to taxi service for those that truly need it. The proposed rules illustrate TLC's continued commitment to providing the appropriate level of service for all of New York City's population.

The Commission's authority for this rule is found in section 2303 of the New York City Charter and section 19-503 of the Administrative Code of the City of New York.

New material is underlined.

[Deleted material is in brackets]

Asterisks (***) indicate unamended text

Section 1, Subdivisions (f) and (i) of section 58-50 of Title 35 of the Rules of the City of New York are amended to read as follows:

(f) Conversion through Schedule Retirement: A Taxicab Medallion required to be placed into services with an Accessible Vehicle under this Section must continuously be Hacked-up with an Accessible Vehicle for a minimum of [four] five years.

(i) Taxi Improvement Fund Allocations. Owners of Medallions 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] place an Accessible Taxicab into service as required under subdivisions (a) through (c) or who have assumed the accessibility requirement of another Owner under subdivision (e) of this section will receive:
 - (i) *Hack-up Payment.* A one-time subsidy payment of at least \$[14,000] 20,000, 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. Used vehicles that will be converted to Accessible Vehicles must meet the specifications of section 67-05.2(e) of these Rules.
 - (ii) *Accessible Vehicle Operational Payments.* A series of equal payments adding up to no less than a total of \$[16,000] 1,000 per year of service. 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)] four (4) 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, [and]

- B. With the exception of the first payment following initial Hack-up, has completed a minimum of [250] 500 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.

§2. Section 58-50 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (j), to read as follows:

(j) Terms of Taxi Improvement Funds Disbursements.

(1) Medallion Owner application and assignment of funds

- (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. The medallion owner is subject to all requirements of this Chapter regarding representations and information provided to the Chairperson.
- (ii) A medallion owner must complete a Taxi Improvement Funding agreement which will assign the funds from the medallion owner for direct payment to the vehicle dealership or accessible converter. The agreement will be in the form and manner specified by the Chairperson, and the medallion owner completing the agreement must provide all documentation required.
- (iii) The medallion owner must place the Accessible Vehicle into service within 60 days of disbursement of the initial payment from the Taxi Improvement Fund.

(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 for stated reasons. 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 submitting the Taxi Improvement Fund application.
- (ii) The history of the medallion owner, including substantiated complaints of fraudulent activity or criminal convictions, as a licensee of the Commission, indicates that, in the judgment of the Chairperson, the application should be denied.
- (iii) There are material errors of omission in the Taxi Improvement Fund application or accompanying documentation.

(4) Service Requirements.

- (i) The Taxi Improvement Fund allocation will be awarded for a qualified Accessible Vehicle. The Vehicle Identification Number (VIN) of the qualified Accessible Vehicle will be recorded by TLC for the purposes of TIF funding allocation.
- (ii) The medallion owner must ensure that the medallion remains continuously Hacked-Up with an Accessible Vehicle remains for the full period of 5 years.

(5) Failure to Meet Requirements.

- (i) Failure by the medallion owner to meet the requirements of the Taxi Improvement Funding disbursement will result in the immediate termination of such funding by the Commission.
- (ii) If the medallion owner fails to keep an Accessible Vehicle in service for the full period of 5 years, the equivalent of funds on a pro rata bases, determined by the number of months an Accessible Vehicle was not in services must be repaid by the medallion owner to the Commission.
- (iii) The medallion owner must comply with orders from the Commission to repair or replace the Accessible Vehicle within 10 days.

<u>58-50(j)(1)(iii)</u>	<u>Suspension until compliance</u> <u>Fine: \$1000 AND</u> <u>Restitution of Hack-up Payment</u>	<u>Appearance NOT</u> <u>REQUIRED</u>
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§3. Section 67-05.2 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (e), to read as follows:

(e) Requirements for used vehicle conversion to an Accessible Vehicle. A used non-accessible vehicle may be Hacked-up as an Accessible Vehicle for use as an Accessible Taxicab, only if:

- (1) The odometer registers no more than 50,000 miles.
- (2) The vehicle is one of the manufacturer's three latest vehicle model years (Example: If in calendar year 2023 the manufacturer introduces the 2023 Sienna, only 2021, 2022 and 2023 Siennas may be Hacked-up)
- (3) The vehicle is included in the list of Commission approved vehicles posted on the TLC Web site.
- (4) The inspection by the converter certifies that the vehicle has not been involved in a major accident or collision or possesses any structural damage.
- (5) The converted vehicle passes the required Commission inspections.
- (6) The converter is approved by the Commission and submits documentation in a form and manner prescribed by the Commission indicating that the conversion was performed in accordance with the requirements set forth in this section of the Rules.

§4. Subdivisions (b) and (d) of section 67-06 of Title 35 of the Rules of the City of New York are amended to read as follows:

(b) Putting Vehicle into Service the First Time. A Taxicab Model may be Hacked-up for use as a Taxicab, only if it:

- (1) Is new, having fewer than 500 miles on the odometer and is one of the manufacturer's two latest vehicle model years (Example: If in calendar year [2008] 2022 the manufacturer introduces the [2009 Caprice] 2023 Camry, only [2009] 2022 and [2008] 2023 [Caprices] Camrys may be Hacked-up); or
- (2) Is a used Taxicab or Wheelchair Accessible Taxicab Model less than seven years old and passes TLC inspection, except for conversion of a used non-Accessible vehicle into an Accessible vehicle, as provided in subdivision (e) section 67-05.2 of these Rules.

(d) Limited Right to "Re-Hack" for Transfer. A vehicle that has been Hacked-up may be transferred to another Medallion, with the approval of the Commission and in accordance with the Accessible requirements of subdivisions (a) – (e) of section 58-50 of these Rules, only if the vehicle passes inspection, has not yet met its Scheduled Retirement

Date and meets one of the following conditions:

- (1) *Repossessions*. The vehicle is purchased through a bank or other lender that has acquired the right to sell the vehicle through repossession and the repossession occurs within 24 months of Hack-up.
- (2) *Same Medallion Owner or Agent*. The owner (or owner's Agent) of the Medallion transfers the vehicle to another Medallion operated by the same owner or agent.
- (3) *Compressed Natural Gas Vehicle*. The owner of a Medallion (or the owner's agent) may transfer a vehicle fueled by Compressed Natural Gas to any other Medallion owned by the same owner.
- (4) *Transfer of Medallion and Vehicle*. A vehicle which is in use with an Independent Medallion and is not at its Scheduled Retirement Date can continue in use with that Medallion following the transfer of that Medallion until its Scheduled Retirement Date if it passes all inspections and if the vehicle meets all of the following:
 - (i) the vehicle is acquired by a Transferee of an Independent Medallion together with that Medallion from the Transferor of that Independent Medallion and
 - (ii) the vehicle was operated by the Transferor of that Independent Medallion with that Medallion.

Example (1)

If a medallion is currently affixed to an Accessible Vehicle and has completed its required 5-year Accessible Taxicab cycle, the medallion may be re-hacked with a used non-Accessible Vehicle, since the next cycle would permit the use of a non-Accessible Taxicab.

Example (2)

If the medallion is currently affixed to a non-Accessible Vehicle, pursuant to section 58-50 of these Rules, the medallion may only be re-hacked with a used Accessible Vehicle once the non-Accessible vehicle is removed from service.

§5. Section 67-18 of Title 35 of the Rules of the City of New York, relating to vehicle retirement, is REPEALED, and a new section is added, to read as follows:

67-18 Scheduled Vehicle Retirement

- (a) *New Vehicles*

(1) Non-Wheelchair Accessible Vehicles

All vehicles Hacked-up as new vehicles pursuant to TLC Rule 67-06(b)(1) must be retired from Taxicab service and replaced no later than the first scheduled inspection of the vehicle occurring 84 months after the vehicle was Hacked-up.

(2) Wheelchair Accessible Vehicles

All new Accessible Vehicles that are or have been Hacked-up pursuant to TLC Rule 67-06(b)(1) shall have no set retirement date, contingent upon the Accessible vehicle passing its regularly scheduled inspections.

(b) Used Vehicles.

All Accessible and non-Accessible vehicles Hacked-up as used vehicles pursuant to TLC rule 67-06(b)(2) must be retired from Taxicab service and replaced no later than the first scheduled inspection of the vehicle occurring 84 months after the vehicle was Hacked-up, less the age of the vehicle as determined by the difference between the calendar year at Hack-up and the model year of the vehicle.

Example

A used 2018 model year vehicle that was hacked up in 2022 is three years old and must be retired from Taxicab service and replaced no later than the first scheduled inspection of the vehicle occurring 48 months after the vehicle was Hacked-up.

**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 Taxi Improvement Fund Rules

REFERENCE NUMBER: 2023 RG 077

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: October 17, 2023

**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 Taxi Improvement Fund Rules

REFERENCE NUMBER: TLC-139

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 would defeat the purpose of the rule.

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

October 17, 2023
Date