

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 rules that improve wheelchair accessible taxicab service by changing how the Taxi Improvement Fund is administered primarily by decreasing the maintenance payments to owners, changing the \$1 incentive payments to the drivers and increasing the grant payment for accessible vehicle Hack-up from \$14,000 to \$20,000.

This 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 10, 2024 for public comment. On January 9, 2025, a public hearing was held virtually by the TLC. The revised rules were adopted by the Commission on March 26, 2025.

Statement of Basis and Purpose

This promulgated rule package substantially increases 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 reduce the Accessible Vehicle Operation Payments that were previously paid to Medallion Owners under rule 58-50(i)(1)(ii). The per-trip payment previously paid to Drivers of Accessible Taxicabs under rule 58-50(i)(2) will be changed. TLC’s current payment plan of \$1 for every trip that a Driver of an accessible Taxicab completes will be eliminated. In its place, the TLC will pay a \$10 bonus for every trip that a Driver completes that was initiated via a call center that is run by an approved E-Hail Application Provider.

This new Driver bonus payment plan is subject to change. The following factors could lead to such a change in the future:

1. The amount of money in the Taxi Improvement Fund.
2. The efficacy of Driver bonuses with respect to incentivizing Drivers to accept requests for accessible service that are routed from an approved E-Hail Application Provider.
3. The efficacy of the E-Hail Application Providers in providing accessible service to passengers that request same.

Eliminating Operational Payments and changing Driver 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 changing the per-trip bonuses to Drivers and reducing the Operational Payments to Medallion Owners will be used to increase the Hack-Up Payment amount to Medallion Owners described in TLC Rule 58-50(i)(1)(i), from the current figure of \$14,000.00 to a new total of \$20,000.00.

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.

Based upon the public comments received by multiple taxi industry groups and organizations, the TLC has revised the proposed rule subsequent to the January 9, 2025 hearing, in response to those comments. For example, these rules were revised to:

- remove a five-year service requirement for each Wheelchair Accessible Vehicle that receives a grant payment, and the associated claw-provisions were also removed based on public feedback.
- this rule also removed the seven-year eligibility requirement for medallion owners, meaning that the proposed rules required that the medallion owner wait a period of seven years before being eligible to apply for another grant from the TIF. That eligibility requirement has been removed.
- the definition of the TIF funds was also changed, removing language that would have restricted the ways in which the TIF monies could be utilized.

- these rules also now include a “grandfather clause,” meaning that if a medallion owner already received a hack-up payment of \$14,000 that medallion owner would continue to enjoy the operational payment levels associated with that smaller initial hack-up amount.
- finally, the proposed Hack-up bonus payment amount was reduced, while the concept of operational payments was reinstated.

TLC is making the following additional changes to this rule package:

- specify that TIF may only be allocated to Medallion owners placing an accessible vehicle into service and removing authorized allocations to Drivers of Medallion vehicles.
- increase TIF hack up payments from \$14,000 to \$20,000 and reducing the \$16,000 allocation for operational payments going towards the maintenance of the accessible vehicle to \$10,000.
- Allow those medallion owners that received the \$14,000 hack up payment within the last 4 years to receive operational payments for 4 years from the hack-up date or until the total of the \$14,000 hack up and operation payments equal \$30,000, whichever shall occur first.
- establish the TIF grant terms for Medallion owners receiving the initial hack-up payment.
- repeal 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. 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] will 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] will 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 2. Subdivision (i) of section 58-50 of Title 35 of the Rules of the City of New York is amended, and a new subdivision (j) is added, to read as follows:

- (i) *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 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.

(ii) *Accessible Vehicle Operational Payments.*

(a) Hack-up payments - \$20,000

[A] For those medallions that receive a \$20,000 hack-up payment, the medallion is eligible for a series of equal payments adding up to [a total of \$16,000] \$10,000 over a period of 4 years. 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 under this item.

(b) Hack-up payments - \$14,000

For those medallions that have already received a \$14,000 hack-up payment, the medallion is eligible for a series of payments totaling up to \$16,000 within 4 years from the medallion's hack-up date. The amount of such payments will be \$1,000 made four (4) times per year.

In the event that the medallion owner has already received a total of \$30,000, through the combination of the \$14,000 hack-up payment and operational payments prior to 4 years after the hack-up date, operational payments will no longer be issued. Such payments will be the same for all eligible Medallion Owners under this item.

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] 750 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 of \$10 for each Passenger trip initiated by a passenger that requested accessible service by contacting a call center run by an approved E-Hail Application Provider and completed 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.]

- [(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.]

(j) 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.

(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.

<u>58-50(j)(5)(ii)</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 3. 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.