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Monday, July 20, 2026

BY WEBSITE SUBMISSION ONLY: https://rules.cityofnewyork.us/rule/driver-relief-penalty-reduction-and-mrp

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Taxi and Limousine Commission
Office of Legal Affairs
33 Beaver Street, 22nd Floor,
New York, NY 10004

RE: Proposed Rule Change: Driver Relief Penalty Reduction and Medallion Relief Program – PUBLIC COMMENT

Introduction

I submit this comment in response to the Commission's Notice of Public Hearing and Opportunity to Comment on Proposed Rules concerning driver relief penalty reduction and modifications to the Medallion Relief Program. I am a registered representative who has advocated before the Office of Administrative Trials and Hearings (OATH) for many years, representing TLC licensees in administrative enforcement proceedings. I focus on defending drivers, vehicle owners, and base operators in violation proceedings, license suspension and revocation matters, and regulatory compliance counseling under the City's administrative adjudication framework.

This comment addresses: (1) the substantial benefits of the proposed rule changes; (2) potential liabilities and implementation concerns; and (3) specific recommendations to enhance the rule's effectiveness while maintaining public safety and regulatory integrity consistent with New York State and New York City administrative law.

I. BACKGROUND AND RULEMAKING AUTHORITY

The proposed rulemaking arises from Executive Order 11, issued January 14, 2026, which directed City agencies to review fees and penalties affecting small businesses and identify reforms to reduce undue hardships. The Commission proposes to eliminate or reduce multiple driver fees and penalties, eliminate vehicle inspection fines where suspension already ensures compliance, and expand the Medallion Relief Program (MRP/MRP+) to permit intrafamily transfers and partnership modifications.

The Commission's authority for these rules derives from section 2303 of the New York City Charter and section 19-503 of the New York City Administrative Code. Section 2303(a) grants the Commission jurisdiction over "the regulation and supervision of the business and industry of transportation of persons by licensed vehicles for hire," including the authority to establish "standards and criteria for the licensing of vehicles, drivers and chauffeurs, owners and operators." (See NYC Charter 2303.) NYC Charter 2300 Section 19-503 authorizes the Commission to "promulgate such rules and regulations as are necessary to exercise the authority conferred upon it by the charter."

The proposed rules comply with the Citywide Administrative Procedure Act (CAPA) procedural requirements under Charter section 1043, including public notice, opportunity for written and oral comment, and Corporation Counsel and Mayoral Operations review.

II. BENEFITS OF THE PROPOSED RULE CHANGES

The proposed amendments offer substantial benefits to TLC licensees and advance sound regulatory policy by eliminating duplicative penalties, reducing financial barriers to compliance, and providing critical relief to medallion owners. I commend the Commission for these reforms.

(continued on next page)

A. Elimination of Driver License Replacement Fees and Related Fines

1. **License Replacement Fee Elimination (Sections 1, 3, 8)**

The proposed repeal of the $25 driver license replacement fee for paratransit, commuter van, and taxicab drivers removes a financial barrier that prevents drivers from returning to work after license loss or damage. This reform is particularly beneficial for low-income drivers who may delay replacement due to cost, thereby extending their period of unemployment. By eliminating this fee, the Commission removes an economic penalty for circumstances often beyond the driver's control - such as theft, accidental damage, or natural wear—and facilitates immediate return to lawful operation.

2. **Repeal of Fines for License Loss, Damage, and Photo Update (Sections 2, 4, 9)**

The elimination of $50 fines for reporting license loss or theft, possessing unreadable licenses, and failing to maintain updated license photos represents a proportionate recalibration of penalties. Under current rules, these violations impose financial penalties for administrative infractions that do not involve public safety risks or fraudulent conduct. A driver who promptly reports a stolen license and seeks replacement demonstrates responsible conduct; penalizing that driver $50 serves no deterrent function and instead punishes compliance.

The proposed rules appropriately preserve enforcement authority for substantive misconduct (fraud, misrepresentation, or allowing another person to misuse a license) under existing TLC rules. This distinction between administrative non-compliance and deceptive conduct is sound policy. It aligns penalty severity with culpability and harm, a principle reflected in New York administrative law's requirement that sanctions be rationally related to the violation and not arbitrary or excessive.

B. Elimination of Late Drug Testing Fine (Section 10)

The proposed elimination of the $200 fine for drivers who complete their annual drug test more than 30 days past the deadline, while maintaining summary suspension until compliance, appropriately balances public safety with proportionate enforcement.

TLC's annual drug testing requirement serves a critical public safety function, ensuring that drivers remain free from substance abuse throughout their licensure period. The current rule imposes immediate suspension when a driver misses the testing deadline, prohibiting the driver from operating until testing is successfully completed. This suspension directly protects the public by removing potentially impaired drivers from service.

The additional $200 fine imposed after 30 days of non-compliance adds minimal deterrent value beyond the suspension itself. A suspended driver loses all income from TLC-licensed work; this economic consequence provides substantial incentive to complete testing promptly. The $200 fine instead becomes an additional financial burden that may delay the driver's ability to afford the required test, thereby prolonging the suspension and the driver's unemployment. Eliminating this fine while maintaining the suspension until compliance achieves the regulatory goal (ensuring testing completion) without imposing unnecessary economic hardship.

<u>C. Elimination of Vehicle Inspection Fines (Sections 5, 7)</u>

The proposed elimination of fines ranging from $100 to $500 for missed taxicab and for-hire vehicle inspections, while maintaining license suspension until compliance, removes duplicative penalties that serve no additional regulatory purpose.

Under current rules, a vehicle owner whose vehicle inspection becomes overdue faces both monetary fines (escalating with delay duration) and suspension of the vehicle license until the vehicle passes inspection. The suspension alone prevents the unlicensed vehicle from lawful operation, directly achieving the Commission's regulatory objective of ensuring that only inspected, compliant vehicles operate for hire. The monetary fine does not enhance compliance; rather, it penalizes vehicle owners for delays that may result from inspection facility scheduling constraints, mechanical repair timelines, or the owner's financial inability to address identified defects.

By eliminating the fines while requiring appearance and maintaining suspension until compliance, the proposed rule ensures accountability and compliance without imposing cumulative financial penalties on small business owners. This approach is consistent with administrative law principles requiring that penalties be necessary to achieve regulatory objectives and not punitive beyond that purpose.

D. Medallion Relief Program Expansion (Section 6)

The proposed amendments to the Medallion Relief Program (MRP/MRP+) represent critical relief for medallion owners and their families by permitting intrafamily transfers upon death or during life, and allowing partnership entity modifications.

1. **Transfers to Family Members Upon Death or During Life**

The proposed rule permits a medallion owner or the owner's estate to transfer a medallion receiving MRP/MRP+ grant funds to qualifying family members (spouses, domestic partners, biological or adopted children, or children of a surviving spouse or partner) provided the family member is approved by the participating lender and loan payments are current. This reform addresses a critical gap in the current MRP/MRP+ structure, which does not accommodate succession planning or family wealth preservation.

Medallion ownership has historically represented multi-generational family investment and livelihood. The inability to transfer medallions within families under MRP/MRP+ participation created unnecessary forfeitures of family assets and disrupted family-based taxi operations. By permitting transfers to immediate family members who assume MRP/MRP+ obligations, the Commission enables families to preserve wealth, continue operations, and maintain compliance with loan restructuring terms. This reform supports small business continuity and recognizes the family-based structure of much of the medallion industry.

The requirements that the family member provide documentation of relationship, obtain lender approval as an eligible borrower, and bring all loan payments current before transfer provide appropriate safeguards. These conditions ensure that transfers do not undermine the MRP/MRP+ program's financial integrity or shift obligations to unqualified parties.

2. **Removal of Partners from Existing Partnerships**

The proposed rule permits partnerships owning one (1) or more medallions to remove a designated partner upon mutual agreement of all partners and lender approval, provided loan payments are current. This flexibility addresses partnership disputes, retirement, and changes in business relationships that may otherwise prevent efficient medallion operation.

Existing partnership law permits partner withdrawal and removal under governing partnership agreements and statutory default rules. However, the absence of clear TLC authorization for partnership modifications while maintaining MRP/MRP+ participation created uncertainty and potential program forfeiture risks. The proposed rule clarifies that partnership restructuring is permissible within the MRP/MRP+ framework, provided all partners consent, the lender approves, and payments remain current.

This reform supports business flexibility and enables partnerships to resolve internal disputes without sacrificing MRP/MRP+ benefits. It also prevents situations where partnership deadlock or partner incapacity paralyzes medallion operations.

III. POTENTIAL LIABILITIES AND IMPLEMENTATION CONCERNS

While the proposed rules offer substantial benefits, several provisions raise concerns regarding enforcement gaps, unintended consequences, and administrative clarity. Addressing these concerns will strengthen the rules' effectiveness and ensure they achieve their intended purposes without undermining public safety or program integrity.

A. Complete Elimination of Penalties for License-Related Violations May Create Enforcement Gaps

1. **Loss of Deterrent for Negligent License Maintenance**

The proposed repeal of all penalties for license loss, damage, unreadable condition, and failure to update photos removes any financial consequence for negligent license maintenance. While the Commission correctly distinguishes between fraudulent misuse (which remains penalized) and innocent administrative non-compliance, the complete elimination of penalties may reduce driver diligence in protecting and maintaining licenses.

A driver who repeatedly loses licenses, fails to protect licenses from damage, or neglects to update photos demonstrating significant appearance changes imposes administrative costs on the Commission and creates potential public safety risks. Passengers and enforcement officers rely on licenses to verify driver identity and licensure status. An unreadable or severely outdated license photograph undermines this verification function.

Under the proposed rules, a driver who loses a license multiple times within a license term or who allows a license to become illegible through neglect faces no penalty beyond the requirement to obtain a replacement (now at no cost). This may incentivize careless handling and create recurring administrative burdens.

2. **Risk of Abuse Through Repeated Replacement Requests**

Eliminating replacement fees without any limiting mechanism may enable abuse. A driver could intentionally report a license lost, obtain a replacement at no cost, and provide the "lost" license to an unlicensed individual for fraudulent use. While the Commission retains authority to prosecute fraudulent misuse when detected, detection requires complaint or enforcement observation - often occurring only after public harm.

The current $50 reporting fine and $25 replacement fee create modest deterrents against such schemes. Eliminating both without implementing alternative safeguards may increase fraudulent license circulation.

<u>B. Drug Testing Fine Elimination May Extend Non-Compliance Periods</u>

The elimination of the $200 fine for drug tests completed more than 30 days late removes a financial incentive for prompt compliance once suspension occurs.

While suspension itself provides substantial incentive, some suspended drivers may delay testing indefinitely if they have transitioned to other employment or anticipate difficulty passing.

The proposed rule maintains suspension until compliance, which protects the public from untested drivers. However, prolonged suspensions without resolution burden the Commission's license management system and create ambiguity about license status. Drivers who never complete testing remain indefinitely suspended rather than proceeding to revocation, preventing license slot reallocation and creating administrative inefficiency.

Additionally, the $200 fine served a secondary function: it compensated the Commission for the administrative costs of extended non-compliance monitoring and enforcement. Eliminating this recovery without addressing the underlying cost may shift expenses to compliant licensees through increased license fees.

C. Vehicle Inspection Fine Elimination May Not Address Root Causes of Missed Inspections

The elimination of escalating fines for missed inspections removes a financial incentive for timely scheduling and completion. While suspension prevents unlicensed operation, it does not address the underlying reasons for missed inspections: vehicle owners operating marginally profitable vehicles who defer inspections due to anticipated costly repairs, or owners who warehouse vehicles without intent to operate.

Under the current rule structure, escalating fines (up to $500 for delays exceeding 120 days) create increasing pressure to either complete inspection or exit the industry. The proposed rule eliminates fines entirely, maintaining only suspension. An owner content to warehouse a vehicle without operating it faces no consequence beyond suspension of a license they are not using. This may increase the number of suspended-but-not-revoked vehicle licenses, cluttering the license database and preventing reallocation of license capacity.

Furthermore, the current rule permits revocation for delays exceeding 120 days. The proposed rule removes this revocation authority, retaining only "suspension until compliance." This change eliminates the Commission's ability to administratively close chronically non-compliant licenses, forcing reliance on voluntary surrender or separate revocation proceedings.

D. Medallion Relief Program Amendments Require Clearer Eligibility and Process Standards

1. **Ambiguity in "Family Member" Definition**

The proposed rule defines eligible family members as spouses, domestic partners, biological or adopted children, or biological or adopted children of the surviving spouse or partner. This definition may create interpretive disputes in several contexts:

- **Domestic Partnership Proof:** The rule requires "documentation establishing the familial relationship" but does not specify acceptable documentation for domestic partnerships. New York recognizes both registered domestic partnerships and informal cohabitation relationships. Clarification of whether only registered partnerships qualify, and what documentation suffices, is necessary to prevent inconsistent application.
- **Stepchildren and Blended Families:** The definition includes "biological or adopted child of the surviving spouse or partner," but does not address stepchildren of a living medallion owner or children of former spouses. Medallion ownership often spans decades, during which family structures may evolve through remarriage, divorce, and new partnerships. Limiting transfers only to children biologically or adoptively related to the owner or to children of a surviving (deceased owner's) spouse may exclude longstanding family members with legitimate succession interests.
- **Timing of Adoption and Relationship Formation:** The rule does not specify whether the familial relationship must have existed before MRP/MRP+ participation or whether relationships formed after program enrollment

qualify. An adult adoption undertaken solely to facilitate medallion transfer may satisfy the literal rule language while circumventing program intent.

2. **"Mutual Agreement" Standard for Partnership Removal Lacks Procedural Clarity**

The proposed rule permits partner removal upon "mutual agreement by all partners" with "adequate documentation demonstrating such agreement." This standard raises several concerns:

- **Definition of "Mutual Agreement":** As I know it, partnership law recognizes various forms of consent, including express written agreement, implied consent through conduct, and consent by silence or inaction. The rule does not specify whether written agreement is required, whether all partners must affirmatively sign a removal document, or whether acquiescence suffices.
- **Protection Against Coercion:** The rule does not address situations where a partner consents to removal under economic duress, threats, or fraud. Partnership disputes often involve unequal bargaining power, particularly where one partner controls day-to-day operations or financial information. Without procedural safeguards (such as independent counsel requirements, cooling-off periods, or Commission review of circumstances) the "mutual agreement" standard may facilitate coerced removals.
- **Deadlock Resolution:** The rule does not address situations where partners cannot reach agreement on whether to remove a partner. If one or more partners support removal and others oppose it, no mechanism exists to resolve the deadlock. This may leave dysfunctional partnerships unable to restructure while maintaining MRP/MRP+ participation.

3. **Lender Approval Standard Lacks Transparency and Appeal Rights**

Both intrafamily transfers and partnership removals require participating lender approval. The rule does not:

- Specify the criteria lenders must or may apply in evaluating approval requests
- Require lenders to provide written denials with reasons

- Establish timeframes within which lenders must respond to requests
- Provide appeal or review mechanisms for arbitrary or discriminatory lender denials

Lender approval authority, while protecting lenders' financial interests, may be exercised inconsistently or discriminatorily without such standards. A lender might deny approval based on pretext (e.g., preferring to pursue foreclosure) or prohibited factors (e.g., familial status discrimination). Without transparency and accountability mechanisms, lender approval becomes an unchecked veto over family wealth preservation and business restructuring.

4. **"Brought Up to Date" Payment Requirement Lacks Definition**

Both intrafamily transfers and partnership removals require that "all loan payments must be brought up to date prior to the transfer if they are in arrears." This requirement is sound in principle but lacks necessary specificity:

- **Definition of "Arrears":** Does this mean only missed scheduled payments, or does it include accelerated balances due to default, late fees, and accrued interest? Many MRP/MRP+ participants experienced prior defaults resulting in accelerated loan balances. Clarification of whether "brought up to date" requires curing only ongoing payment obligations or satisfying entire accelerated balances is critical.
- **Timeframe for Curing Arrears:** The rule does not specify whether arrears must be cured before initiating the transfer process or only before the Commission records the transfer. This timing ambiguity may create uncertainty about when transfer applications may be submitted and processed.
- **Source of Cure Funds:** The rule does not address whether family members acquiring medallions may cure arrears as part of the transfer transaction or whether cures must come from the transferring owner's funds. Practical family succession planning often involves the successor providing funds to cure arrears; clarifying that this is permissible would facilitate transfers.

IV. RECOMMENDATIONS FOR IMPLEMENTATION WITH MODIFICATIONS

To address the concerns identified above while preserving the benefits of the proposed rules, I respectfully recommend the following modifications and implementation measures.

A. Implement Graduated or Conditional Relief for License-Related Violations

Rather than completely eliminating penalties for license loss, damage, and maintenance failures, consider a graduated approach that distinguishes first occurrences from repeat violations:

Proposed Modified Approach:

1. **First occurrence within a license term:** No fine; no-fee replacement.
2. **Second occurrence within a license term:** $25 fine; no-fee replacement; issuance of warning.
3. **Third or subsequent occurrence within a license term:** $50 fine; mandatory completion of license responsibility training; potential administrative review for negligent license maintenance.

This structure preserves relief for drivers experiencing isolated incidents while maintaining accountability for chronic carelessness. It also creates an enforcement escalation pathway that enables the Commission to identify and address patterns of negligent conduct without imposing immediate financial burdens on drivers facing first-time license issues.

Alternative Approach - Conditional No-Fee Replacement:

Maintain no-fee replacement for all drivers but implement a tracking system that flags repeated replacements (three (3) or more within a license term) for administrative review. Upon review, the Commission may:

- Issue a warning and require license care training
- Impose conditions on the next replacement (fee requirement, expedited processing suspension)

- Initiate fitness review if repeated losses suggest inability to maintain required documentation

This alternative preserves cost-free replacement for the vast majority of drivers while enabling targeted intervention for patterns suggesting negligence or potential fraud.

B. Retain Modest Late Drug Testing Penalty with Hardship Waiver

Rather than completely eliminating the $200 late drug testing fine, consider reducing it and implementing a hardship waiver process:

Proposed Modified Approach:

1. Maintain summary suspension upon missed testing deadline (no change).
2. Impose $50 fine (reduced from $200) if compliance occurs more than 30 days after deadline.
3. Provide hardship waiver: A driver may request fine waiver by demonstrating that delay resulted from:
   - Medical incapacity documented by healthcare provider
   - Testing facility unavailability despite timely appointment requests
   - Financial hardship (income below 200% federal poverty level)
   - Other compelling circumstances beyond driver's control

This structure maintains financial incentive for prompt compliance while providing relief for drivers facing genuine hardship. The reduced fine ($50 rather than $200) lessens burden while preserving cost recovery and deterrent function.

Additional Recommendation - Progressive Compliance Incentive:

Alternatively, implement a progressive reduction structure:

- Compliance within 15 days of deadline: No fine
- Compliance 16-30 days after deadline: $25 fine
- Compliance 31-60 days after deadline: $50 fine
- Compliance more than 60 days after deadline: $100 fine plus potential license review

This creates clear incentives for prompt compliance while scaling penalties to delay duration.

C. Implement Revocation Authority for Chronic Vehicle Inspection Non-Compliance

The proposed elimination of inspection fines should be coupled with clear revocation authority for chronic non-compliance:

Proposed Addition to Section 5:

"Suspension until compliance. Appearance REQUIRED. Vehicle licenses suspended for more than 180 consecutive days for failure to complete required inspection may be revoked following notice and opportunity for hearing. The Commission may, in its discretion, grant additional time for compliance upon showing of good cause, including documented efforts to complete inspection, pending mechanical repairs, or financial hardship requiring extended time to finance repairs."

This amendment enables the Commission to administratively close chronically non-compliant licenses while preserving flexibility for owners actively working toward compliance. The 180-day threshold (extending the current 120-day maximum fine threshold) provides substantial time for resolution while preventing indefinite warehousing of suspended licenses.

Additional Recommendation - Inspection Scheduling Assistance:

To address root causes of missed inspections, implement a proactive scheduling reminder system:

- 30-day advance notice of upcoming inspection deadline via email and text
- 14-day advance notice with scheduling assistance resources
- 7-day notice with warning of impending suspension
- Day-of-deadline notice with suspension warning and compliance resources

This system, paired with elimination of fines and clear revocation authority for chronic non-compliance, balances support with accountability.

D. Clarify and Strengthen Medallion Relief Program Amendment Standards

1. **Family Member Definition Clarifications**

Recommend amending Section 6(f)(1)(i) as follows:

"(i) The family member must be, or must have been at the time of the medallion owner's death:

1. A spouse legally married to the medallion owner, or a domestic partner registered with the City Clerk's Office or equivalent jurisdiction, provided the partnership was registered at least one year prior to transfer application or prior to the medallion owner's death;

2. A biological or adoptive child of the medallion owner, provided any adoption was finalized at least one year prior to transfer application or prior to the medallion owner's death, except that this timing requirement shall not apply to adoptions of minors;

3. A biological or adoptive child of the medallion owner's spouse or registered domestic partner, provided the relationship was established at least one year prior to transfer application or prior to the medallion owner's death, except that this timing requirement shall not apply to adoptions of minors; or

4. A stepchild of the medallion owner who has resided with the medallion owner for at least three consecutive years prior to transfer application or prior to the medallion owner's death and who can demonstrate substantial familial relationship through joint financial arrangements, dependency, or other indicia of family relationship as determined by the Commission."

These clarifications:

- Require registered domestic partnerships (preventing post-hoc informal relationship claims)
- Implement timing requirements to prevent transfers of convenience while preserving legitimate family successions
- Expand eligibility to include longstanding stepchildren with demonstrated family relationships
- Preserve flexibility for genuine family structures while preventing abuse

2. **Partnership Removal Process Standards**

Recommend amending Section 6(f)(2) to add:

"(I)(A) All partners must execute a written agreement explicitly consenting to the removal of the designated partner. The agreement must:

1. Identify all partners by name and ownership percentage;
2. Identify the partner to be removed;
3. State the reasons for removal;
4. Confirm that all partners have had opportunity to consult independent legal counsel;
5. Confirm that consent is voluntary and not the product of duress, coercion, or fraud;
6. Specify the financial terms of removal, including any buyout, assumption of liabilities, or release of claims; and
7. Be notarized.

2. If any partner is alleged to lack capacity, be subject to coercion, or contest the removal, the Commission shall conduct a hearing pursuant to OATH procedures before approving the removal.
3. Partners unable to reach mutual agreement on removal may petition the Commission for medallion license partition or alternative resolution consistent with partnership law and MRP/MRP+ program integrity."

These procedural requirements:

- Ensure documented, informed consent by all partners
- Create evidentiary record protecting against subsequent challenges
- Provide due process for contested removals
- Enable resolution of partnership deadlocks through Commission intervention

3. **Lender Approval Standards and Transparency**

Recommend adding new subdivision (3) to Section 6(f):

"(3) Participating Lender Approval Requirements

1. Within 30 days of receipt of a complete transfer or partnership modification application, the participating lender must provide written approval or denial.

2. Any denial must state the specific reasons for denial and identify the criteria or standards upon which denial is based.
3. A medallion owner or partnership may appeal a lender denial to the Commission within 15 days of receipt. The Commission shall review the denial de novo and may approve the transfer or modification if:
   1. The proposed transferee or modified partnership satisfies all Commission eligibility requirements;
   2. All loan payments have been brought current or a payment cure plan acceptable to the Commission has been established;
   3. The transfer or modification will not materially impair the lender's security interest or reasonable expectation of loan repayment; and
   4. The lender's denial was arbitrary, capricious, or based on impermissible criteria.
4. The Commission's determination under this subdivision is subject to judicial review pursuant to Article 78 of the New York Civil Practice Law and Rules."

These standards:

- Establish clear timelines preventing indefinite lender delay
- Require reasoned denials enabling meaningful review
- Provide accessible appeal mechanism balancing lender interests with family succession rights
- Create judicial review pathway consistent with administrative law due process requirements

4. **"Brought Up to Date" Payment Standard**

Recommend amending Sections 6(f)(1)(iv) and (f)(2)(iii) to clarify:

"All loan payments on behalf of the medallion owner [or partnership] must be brought up to date prior to recordation of the transfer [or removal] if they are in arrears. For purposes of this subdivision:

1. 'Brought up to date' means that all scheduled loan payments due as of the date of transfer recordation have been paid, including any past-due payments, late

fees, and accrued interest on past-due amounts. If the loan has been accelerated due to default, the medallion owner or transferee must either (1) cure the default and de-accelerate the loan pursuant to the loan agreement, or (2) establish a Commission-approved payment plan satisfactory to the participating lender.

2. Payment may be made by the medallion owner, the transferee, or any third party on behalf of either.

3. The medallion owner or partnership may initiate the transfer or removal application process before payments are current, provided all arrears are cured before the Commission records the transfer or removal."

This clarification:

- Defines "brought up to date" with specificity, addressing accelerated loans
- Confirms transferees may cure arrears, facilitating family succession
- Enables application processing before full cure, reducing timeline while maintaining payment requirement

E. Implementation Timeline and Transition Provisions

Recommended Phased Implementation:

1. **Immediate (upon rule effectiveness):**
    - Eliminate driver license replacement fees
    - Eliminate vehicle inspection fines (retaining suspension)
    - Implement drug testing fine reduction (if adopted) or elimination
2. **Within 60 days of rule effectiveness:**
    - Implement graduated penalty system for repeat license loss (if adopted)
    - Establish hardship waiver process for drug testing fines (if adopted)
    - Develop and publish intrafamily transfer and partnership removal application forms and guidance
    - Train TLC staff on new MRP/MRP+ transfer and removal procedures
3. **Within 90 days of rule effectiveness:**
    - Launch inspection scheduling reminder system

- Publish lender approval standards and appeal procedures
- Establish OATH hearing procedures for contested partnership removals

Transition Provisions for Pending Matters:

- Drivers with pending violations for license loss, damage, or photo update at the time of rule effectiveness should have fines dismissed or reduced consistent with new standards
- Drug testing fines imposed within 90 days before rule effectiveness should be reduced or refunded consistent with new penalty structure
- Vehicle owners with pending inspection violations should have fines dismissed, retaining suspension until compliance
- MRP/MRP+ participants who were denied transfers or partnership modifications under prior rules should be permitted to reapply under new standards within 180 days

F. Data Collection and Program Evaluation

To assess the effectiveness of these reforms and identify any unintended consequences, the Commission should implement data collection and reporting requirements:

Recommended Data Points:

1. **Driver License Replacements:**
    - Number of replacement requests per quarter
    - Number of drivers requesting multiple replacements within a license term
    - Reasons for replacement (loss, theft, damage, illegibility)
    - Any identified fraudulent use of replaced licenses
2. **Drug Testing Compliance:**
    - Percentage of drivers completing testing on time
    - Average delay for late completions
    - Number of drivers remaining suspended more than 60 days post-deadline
    - Correlation between fine elimination and compliance rates

3. **Vehicle Inspection Compliance:**
   - Number of vehicles suspended for missed inspections
   - Average suspension duration
   - Number of vehicle licenses suspended more than 180 days
   - Comparison of compliance rates before and after fine elimination
4. **MRP/MRP+ Transfers and Modifications:**
   - Number of intrafamily transfer applications and approvals
   - Number of partnership removal applications and approvals
   - Lender approval and denial rates
   - Number of appeals filed and outcomes
   - Demographic data on transferees (to assess program accessibility)

Recommended Reporting:

The Commission should publish a public report 18 months after rule effectiveness evaluating the impact of these reforms, including the data above and recommendations for any necessary adjustments. This report should be submitted to the City Council and Mayor's Office, consistent with the Commission's accountability obligations under the Charter.

V. CONCLUSION

The proposed rules represent meaningful reform that will reduce financial burdens on TLC licensees, facilitate compliance, and support medallion owner family wealth preservation. The elimination of duplicative fines and fees advances sound regulatory policy by focusing enforcement resources on substantive violations while removing unnecessary barriers for small business operators.

The recommendations offered in this comment are intended to strengthen these reforms by addressing potential enforcement gaps, providing clearer standards for MRP/MRP+ transfers and partnership modifications, and ensuring that relief measures do not inadvertently reduce public safety or program integrity. Graduated penalties for repeat violations, modest late compliance fees with hardship waivers, clear revocation authority for chronic non-compliance, and detailed MRP/MRP+

procedural standards will enhance the rules' effectiveness while preserving their core benefits.

I respectfully urge the Commission to adopt these rules with the recommended modifications. I am available to discuss these comments further and to provide additional input during the implementation process.

Thank you for your consideration of these comments and for your continued efforts to support TLC licensees while maintaining the safety and quality of for-hire transportation services in New York City.

Respectfully submitted,

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