NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Promulgation

Notice is hereby given in accordance with section 1043(f) of the New York City Charter ("Charter") that the Taxi and Limousine Commission ("TLC") promulgates rules relating to the Medallion Relief Program.

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 July 13, 2026 for public comment. On August 13, 2026 a public hearing was held virtually by the TLC, and the rules were adopted by the Commission on October 22, 2026.

Statement of Basis and Purpose

TLC is providing further relief to medallion owners participating in medallion loan debt relief through the Medallion Relief Program Supplemental Loan Deficiency Guaranty, more commonly known as MRP+. The goal of the MRP+ grant program is to support the recovery of the yellow taxicab industry in New York City by providing financial assistance and free legal representation to help medallion owners negotiate with lenders to reduce loan balances and lower monthly payments.

Since the Medallion Relief Program started in 2021 and expanded in 2022 with MRP+, it has successfully restructured loans for over 2,000 medallion owners, resulting in $472 million in debt forgiveness.

It has become clear that some changes to the MRP program rules relating to medallion ownership and transfers are required to provide additional support to medallion owners and their families. These changes will ensure TLC's ongoing commitment to small business owners and contribute to the financial health of the medallion industry and the City of New York.

Several written and oral comments were received in response to the proposed rule. Medallion owners who were MRP+ participants and a registered industry representative supported an expansion of the proposed MRP+ transfer rules with regard to transferring the medallion and MRP+ guaranty when no immediate family member can take over the medallion. Medallion owners who were MRP+ participants and the New York Taxi Workers Alliance also requested amendments permitting the form of medallion ownership to be changed from individual to corporate ownership to reduce the owner's tax burden. Upon careful review, TLC is in agreement with these changes, and will expand the definition of eligible family members and allow changes in the form of medallion ownership for participating owners, since these changes protect the population of small medallion owners for which the MRP+ program was created.

TLC also received written and oral comments from the Metropolitan Taxicab Board of Trade, requesting that MRP+ program eligibility be expanded to owners of more than six medallions, while the New York Taxi Workers Alliance and several medallion owners and MRP+ guaranty recipients requested that the TLC allow medallion and MRP+ guaranty transfers to third parties. TLC declines to implement these changes on the ground that they are beyond the scope of the rule changes that were proposed. TLC also received a comment from the New York Taxi Workers Alliance requesting that guaranty transfers be allowed whenever a payment plan approved by the lender has been entered into. TLC declines to implement this change and believes this is better managed through private arrangements between the medallion owner, the lender, and the prospective buyer. TLC is committed to working with stakeholders, including medallion owners, MRP+ participants, and lenders to improve the MRP+ program.

The original changes, as well as the additional changes which were added in response to the public comments from the August 13, 2026 hearing are summarized below.

1. The estate of a deceased medallion owner may transfer the medallion(s) to immediate family members upon the death of the medallion owner or to extended family members.

2. Medallion owners may transfer their medallion(s) to immediate family members or to extended family members.

3. Members of an existing partnership that owns one or more medallions may remove a partner from the entity upon mutual agreement by all partners.

4. Current MRP+ medallion owner participants have the opportunity to transfer the MRP+ grant from their individual names as sole proprietors to a corporate entity for which that individual retains 100 percent exclusive interest in the corporate entity.

TLC's authority for these rules is found in sections 1043 and 2303 of the New York City Charter and section 19-503 of the New York City Administrative Code.

<u>New material is underlined.</u>

[Material inside brackets indicates deleted material.]

Asterisks (***) indicate omitted text.

Section 1. Paragraph (7) of subdivision (a) of section 58-51 of Title 35 of the Rules of the City of New York is amended, and a new subdivision (f) is added, to read as follows:

(a) Definitions Specific to this Section

****

(7) *Supplemental Loan Deficiency Guaranty* means a guaranty on the principal balance of Loan Restructure that meets the criteria established in subdivision (e) of this section provided by the Program Administrator to the Applicant's lender, also known as the MRP+.

(f) Transfer of Medallions in Receipt of MRP+ Grants.

(1) Transfers to family members

A medallion owner or the medallion owner's estate which has received an MRP+ grant, may transfer the medallion in receipt of the MRP+ grant to a family member that shall assume the obligations of the MRP+ grant if the following criteria are met:

(i) The family member must be or must have been:

(A) A spouse or partner that is legally married to the medallion owner

(B) A domestic partner of the medallion owner as defined by New York Public Health Law, Section 2961

(C) A biological or adopted child of the owner

(D) A biological or adopted child of the surviving spouse or partner

(E) One or both parents

(F) Sibling

(G) Niece or nephew

(H) Grandparents

(I) Aunts or Uncles

(F) First cousins

(iii) The family member must be able to provide documentation establishing the familial relationship with the medallion owner.

(iv) The participating lender must have approved the family member as an eligible borrower.

(v) All loans transferred pursuant to this section must be current and not in arrears at the time of transfer.

(vi) The medallion must be transferred to the family member in accordance with chapter 58 of the TLC Rules.

(2) Removal of a Partner from existing Partnership

A partnership entity that owns one or more medallions may remove a designated partner from the existing partnership if:

(i) All partners have mutually agreed upon the removal of the designated partner and provided adequate documentation to both the participating lender and the Commission demonstrating such agreement.

(ii) The participating lender has agreed to the removal of the designated partner.

(iii) All loans transferred pursuant to this section must be current and not in arrears at the time of transfer.

(iv) The change in medallion ownership must be recorded by the Commission in accordance with chapter 58 of the TLC Rules.

(3) Conversion to a Business Entity

A medallion owner which has received an MRP+ grant in their individual name as a sole proprietor may transfer the medallion in receipt of the MRP+ grant to a Business Entity if the following criteria are met:

(i) The participating lender has approved the transfer to the Business Entity.

(ii) The individually named medallion owner must exclusively retain 100 percent ownership of the newly formed Business Entity.

(ii) All loans transferred pursuant to this section must be current and not in arrears at the time of transfer.

(iii) The medallion must be transferred in accordance with chapter 58 of the TLC Rules.