

Taxicab and Street Hail Livery Improvement Funds

Report to City Council 2022

Revised and Submitted on March 4th, 2024

Background

In 2014 the Taxi and Limousine Commission (TLC) passed rules to create the Taxicab Improvement Fund (TIF) and the Street Hail Livery Improvement Fund (SHLIF). The funds were created as part of an overall strategy by the agency to increase the number of accessible taxicabs. The agency goal is for 50% of the yellow taxi fleet to be accessible, and for over 20% of the green street hail livery (SHL) fleet to be accessible. The funds are financed through the assessment of a \$1 surcharge on every yellow and green taxicab trip.

Collections

Starting January 1, 2015, the TLC began assessing a 30-cent surcharge paid by passengers on all taxicab trips. These funds are collected by medallion owners, medallion agents, and SHL permit owners and remitted to the TLC on a quarterly basis. The TLC calculates the total to be remitted by multiplying 30-cents by the total number of trips completed in each taxicab. Bills are prepared and posted online on a monthly basis. Payment is due on the 15th day of each month. Table 1 describes calendar year TIF and SHLIF collections as of April 19, 2022, respectively.

Table 1: Taxi Improvement Fund (TIF) and Street Hail Livery Improvement Fund (SHLIF) Collections¹

Calendar Year	TIF	SHLIF	Total
2015	\$29,333,606	\$3,299,594	\$32,633,199
2016	\$36,722,196	\$4,686,735	\$41,408,932
2017	\$34,792,471	\$3,510,144	\$38,302,615
2018	\$25,713,276	\$2,437,459	\$28,150,735
2019	\$29,051,534	\$2,032,459	\$31,083,993
2020	\$12,744,226	\$892,916	\$13,637,142
2021	\$10,700,958	\$514,958	\$11,215,916
2022	\$12,438,708	\$252,894	\$12,691,602
	\$191,496,975	\$17,627,159	\$209,124,134

¹ Adjustments have been made to prior year financial data to reflect TIF Collections and Payments more accurately for those periods. These adjustments are not material to previously reported financial information.

Distributions

Starting January 1, 2016, the TLC began distributing monies from the TIF to yellow taxi drivers who operated wheelchair accessible taxicabs and enrolled in the program. Yellow taxi drivers were initially paid \$0.50 per trip completed in an accessible vehicle, but this amount was increased to \$1.00 per trip in May 2018. In October 2018, the program expanded to include \$1.00 payments to drivers who complete trips in accessible green taxicabs. Drivers of yellow taxicabs are paid from TIF, and green taxicabs are paid from SHLIF.

As of December 31st, 2022, the program enrolled a total 10,346 drivers, of which 9,004 have received at least one payment. In 2022 there were 4,037 individual drivers who participated in the program. Payments typically range between \$100 to \$200 per driver per pay period based on the number of trips performed and are issued to drivers every other week. Table 2 shows the TLC's payments to drivers since the start of the program.

Table 2: TIF, SHLIF, and Accessible Dispatch Distributions

Medallion owners who purchase an accessible taxicab are eligible to receive at least \$14,000 to offset the added cost associated with purchasing an accessible vehicle (WAV), plus over the life of the vehicle will receive \$1000 on a quarterly bases if a minimum of 250 trips are completed and the vehicle passes regular inspections.-Owners are required to keep vehicles in service, participate in the TLC's Accessible Dispatch program, and not owe any surcharge money to the TLC before they may receive payment. Payments are made to eligible owners once a month. In June 2019, the TLC modified its rules to expand the owner program and ease some restrictions in which medallions may receive incentive payments. Under the new rules all medallions, including those that are "WAV restricted", may receive incentive payments for any wheelchair accessible taxicab brought into service.

Table 2: TIF, SHLIF, and Accessible Dispatch Distributions

Calendar Year	Driver Payments	Owner Payments	Accessible Dispatch Costs	Total
2015	\$0.00	\$0.00	\$699,752.60	\$699,752.60
2016	\$1,219,151.00	\$10,470,879.00	\$3,348,562.75	\$15,038,592.75
2017	\$3,538,057.50	\$18,846,504.00	\$3,883,803.67	\$26,268,365.17
2018	\$9,213,480.50	\$15,443,471.00	\$4,166,804.96	\$28,823,756.46
2019	\$14,019,561.00	\$18,992,446.00	\$8,278,804.39	\$41,290,811.39
2020	\$5,544,076.00	\$13,687,000.00	\$6,171,345.12	\$25,402,421.12
2021	\$7,640,541.00	\$12,517,000.00	\$5,233,934.29	\$25,391,475.29
2022	\$10,641,878.00	\$18,616,000.00	\$4,562,861.77	\$33,820,739.77
Total	\$51,816,745.00	\$108,573,300.00	\$36,345,869.55	\$196,735,914.55

As of December 31st, 2023, the program has had a total 5,408 medallions enrolled, and paid 3,641 medallions to purchase and operate accessible taxicabs. Table 2 describes TIF payments to owners since the start of the program. In 2022 there were 2,847 participating medallions of which 2,571 received aid with either purchasing or operating their vehicle.

Accessible Dispatch is a centralized service that enables customers to request a wheelchair accessible taxicab for a pick-up anywhere in the five boroughs. Customers may contact 311, use a smartphone app, or call the dispatcher directly to request an accessible yellow or green taxicab. Customers pay the metered taxi fare and there is no additional charge for the service. The program was launched in September 2012 and served only Manhattan. In January 2018, the program expanded to serve all five boroughs. Table 2 shows the improvement surcharge distributions funded by the program.

Recommendations and Analysis

Should the current surcharge be lowered, raised, or kept the same?

The TLC raised the surcharge to \$1 in December 2022 and based on our review of current expenditures and collection trend projections, the TLC does not see a need to change the surcharge at this time.

Are there possible alternate sources of funding for TIF or SHLIF other than the surcharge? No other funding sources for TIF or SHLIF have been identified. Maintaining adequate funding for the program is important. Medallion owners have not voluntarily placed wheelchair accessible taxicabs into service without adequate financial support.

What costs are incurred by Owners and Drivers that are required to purchase and operate wheelchair accessible vehicles that are not incurred by Owners and Drivers who operate non-accessible vehicles?

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. Enrolled drivers receive payments in the range of \$100 - \$200 every other week for trips performed in accessible taxicabs. Enrolled owners have thus far received an average of \$21,538 in payments to offset the added cost of owning and operating accessible taxicabs.