



NEW YORK CITY TAXI & LIMOUSINE COMMISSION

The Medallion Transfer Rules

Proposed Rules

June 14, 2007

Clarity of Rules

- **Facilitate ability to transfer medallions.**
- **Protect lenders to the industry.**
- **Protect accident victims as required by section section 19-512 of the Administrative Code.**

Objectives of Rule Revision

- Clearly state and streamline process
- Specify documentation and other requirements requirements
- Bring clarity to the tort claim evaluation process
- Clarify process following death/incompetency death/incompetency of owner

Developing new rules

- **Industry input was a major factor and consideration in the revision process**
- Formed Advisory Committee of brokers, lenders, counsel, & owners.
 - Pre-Rules meetings to determine guidelines and review current practice
 - Several Draft Rule Reviews – in group and individual meetings
 - Development of Final Rule

Administrative Code Requirements

Requirements

- TLC approval required to transfer medallions or interests in medallions.
- Bonds must be filed to protect tort claimants and to satisfy judgments.
- Under State law, foreclosures are permitted, but subject to TLC approval of new owners.
- All transfers, including stock transfers, are subject to the same requirements.

Process as outlined in Rule

- Follows existing TLC practice.
- TLC application, background check required for new owner, including officers, partners, and stockholders.
- Corporate/Partnership/LLC documentation required, if applicable.
- Source of funds documentation
- Claim Review

Addressing 19-512 of Administrative Code (Tort Claims)

- Clearly defines TLC process for determining outstanding Tort claims and value of claims.
- Utilizes Office of Administrative Trials and Hearings (OATH).

Addressing Specific Policy & Process Issues

- **Death/Incompetency:**
 - Allows for continued operation for 120 days while new ownership or management is established.
 - Prevent open ended operation without an approved owner
- **Placing Medallions in Trusts:**
 - Allows for trust to hold medallion interest for minors
 - Ensure medallion interests are held by an approved owner



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