

## NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

### **Notice of Public Hearing and Opportunity to Comment on Proposed Rules**

**What are we proposing?** The Taxi and Limousine Commission (TLC) is considering adding a rule which would require Taxicab Agents (“Agent” or “Agents”) to remit all money collected through the Metropolitan Transit Authority (MTA) tax program and the TLC surcharge programs.

**When and where is the Hearing?** The Commission will hold a public hearing, at which the public and interested parties are invited to submit comments and testimony on the proposed rules, at 10:00 a.m. on June 18, 2015. This hearing will be held in the Commission’s public hearing room at 33 Beaver Street, New York, New York on the 19<sup>th</sup> Floor.

**How do I comment on the proposed rules?** Anyone can comment on the proposed rules by:

- **Mail.** You can mail written comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22<sup>nd</sup> Floor, New York, New York 10004.
- **Fax.** You can fax written comments to the Taxi and Limousine Commission, Office of Legal Affairs, at 212-676-1102.
- **Email.** You can email written comments to [tlcrules@tlc.nyc.gov](mailto:tlcrules@tlc.nyc.gov).
- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC rules Web site at [www.nyc.gov/nycrules](http://www.nyc.gov/nycrules).
- **By Speaking at the Hearings.** Anyone who wants to comment on the proposed rule at the public hearings must sign up to speak. You can sign up before either hearing by calling 212-676-1135. You can also sign up in the hearing room before the session begins on June 18, 2015. You can speak for up to three minutes.

**Is there a deadline to submit written comments?** Yes, you must submit written comments by June 5, 2015.

**Do you need assistance to participate in the Hearings?** You must tell the Office of Legal Affairs if you need a reasonable accommodation of a disability at the Hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at 212-676-1135. You must tell us by June 11, 2015.

**Can I review the comments made on the proposed rules?** A few days after the

hearing, a transcript of the hearing and copies of the written comments will be available to the public at the Office of Legal Affairs.

**What authorizes the Commission to make this rule?** Sections 1043 and 2303 of the City Charter and section 19-503 of the City Administrative Code authorize the Commission to make these proposed rules. These proposed rules were not included in the Commission's regulatory agenda for this Fiscal Year because the need for these rules was not contemplated when the Commission published the agenda.

**Where can I find the Commission's rules?** The Commission's rules are in title 35 of the Rules of the City of New York.

**What rules govern the rulemaking process?** The Commission must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043(b) of the City Charter.

## STATEMENT OF BASIS AND PURPOSE OF RULES

The TLC is amending its rules regarding the responsibilities of Agents that collect taxes on behalf of the MTA and that collect surcharges levied by the TLC.

### **Protecting Medallion Owners**

An Agent assumes the responsibilities of the Medallion Owner when the Agent has been hired to operate (or help operate) one or more Taxicabs on behalf of that Medallion Owner. Two of the responsibilities that the Agent assumes are: 1) the collection of taxes on behalf of the MTA and 2) the collection of surcharges levied by the TLC. After these funds are collected, the Agent must remit them to the appropriate authorities.

Currently, when the Agent fails to remit the funds, the TLC penalizes the Medallion Owner instead of the non-compliant Agent.

The proposed rule:

- Clarifies that it is the Agent's responsibility to remit the collected funds,
- Adds fines and suspension as possible consequences for non-compliant Agents,
- Requires a suspended Agent to notify the owners of the medallions that the Agent manages of that Agent's suspension,
- Strengthens the penalty for existing Rule 63-08(e) that governs proper Agent conduct and expected cooperation with the TLC, and,
- Requires an Agent who is applying to renew his or her license to first remit all collected taxes and surcharges before being renewed as an agent.

New material is underlined.

[Material inside brackets indicates deleted material.]

Section 1. Section 63-04 of Title 35 of the Rules of the City of New York is amended by relettering subdivisions (h) through (j) subdivisions (i) through (k) and adding a new subdivision (h), to read as follows:

(h) Remission of Taxes and Surcharges. An Applicant, including an applicant for a renewal License, must timely remit, and provide proof of remission, of any outstanding taxes or surcharges owed by the Applicant. An Applicant's responsibility for taxes and surcharges owed with respect to a particular Medallion for which the Applicant is also responsible shall be limited to such periods that such Medallion is managed by Applicant.

Section 2. Section 63-05(d) of Title 35 of the Rules of the City of New York is amended by adding new language to read as follows:

(d) *Suspended Licenses.*

(2) A License that is suspended is not Valid and cannot be used until the suspension ends, provided that the Agent holding the License may continue to operate the Taxicabs he/she operated prior to the imposition of the suspension, consistent with paragraph (3) of this subdivision. This is true even if the Applicant has filed an application for a renewal.

(3) If an Agent's License has been suspended by the Commission, the Agent:

- (i) Will not be authorized to manage or operate any new Medallion(s) at any time that the Agent's license is suspended.
- (ii) May not renew any agreement to manage any Medallion(s) while the Agent's license is suspended.
- (iii) Must notify each Medallion Owner who is using the suspended Agent to manage the Owner's Medallion within five (5) business days of the suspension:
  - I. Of the dates during which the Agent is suspended, and
  - II. that the Medallion Owner has the option to terminate its contract with the Agent, or, if its contract will expire during the period of suspension, that the Medallion Owner has the option to not renew its contract.

§63-05(d)(3)	Fine: \$500-\$1,500	Appearance REQUIRED
--------------	---------------------	---------------------

Section 3. The penalty provision of subdivision (e) of section 63-08 of Title 35 of the Rules of the City of New York is amended to read as follows:

(e) *Failure to Cooperate with the Commission.*

(2) Upon request of the Commission, a Licensee must make the Agent's business premises, books and records available for inspection.

§63-08(e)	Fine: \$500-\$1,500 <u>and Suspension until compliance.</u>	Appearance REQUIRED
-----------	---	---------------------

Section 4. Section 63-11 of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (g), to read as follows:

(g) Agent Responsibility to Remit Collected Funds. An Agent must remit to the appropriate party all taxes and surcharges collected on behalf of a Medallion Owner. An Agent's responsibility for taxes and surcharges owed with respect to a particular Medallion is limited to such periods that such Medallion is managed by the Agent.

63-11(g)	<u>Fine: \$1,000 and Suspension until compliance.</u>	<u>Appearance NOT REQUIRED</u>
----------	---	--------------------------------

**NEW YORK CITY LAW DEPARTMENT  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-356-4028**

**CERTIFICATION PURSUANT TO  
CHARTER §1043(d)**

**RULE TITLE: Remittance of Taxes and Fare Surcharges by Agents**

**REFERENCE NUMBER: 2015 RG 052**

**RULEMAKING AGENCY: Taxi and Limousine Commission**

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN  
Acting Corporation Counsel

Date: April 24, 2015

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS  
253 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NY 10007  
212-788-1400**

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Remittance of Taxes and Fare Surcharges by Agents**

**REFERENCE NUMBER: TLC-80**

**RULEMAKING AGENCY: TLC**

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because non-remittance or late remittance of taxes and surcharges can have serious consequences for the medallion owner.

/s/ Francisco X. Navarro  
Mayor's Office of Operations

April 24, 2015  
Date