

# NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

## *Notice of Final Rule Publication*

**Notice is hereby given in accordance with Section 1043(b) of the Charter of the City of New York, that the Taxi and Limousine Commission hereby amends the Taxicab Specifications to permit the TLC Chairperson to extend, within his/her discretion, the period of time during which an individual taxicab owner or long term driver who is a vehicle owner, may operate an approved vehicle prior to mandatory vehicle retirement, and to eliminate the current procedure for an owner/operator to request permission to hack-up a vehicle that is no more than two model years old.**

The Taxi and Limousine Commission (“TLC”) is promulgating such regulations pursuant to the authority vested in the TLC under Charter Section 2303(a) and 2303(b); and under Section 19-503 of the Administrative Code of the City of New York.

A public hearing in connection with these proposed regulations was held on **April 26, 2001**, at the NYC Taxi and Limousine Commission, 40 Rector Street, Fifth Floor, New York, NY 10006.

**Section 1.** Title 35 of the Rules of the City of New York, Chapter 3, Taxicab Specifications, Section 3-01, Vehicle Hack-Up and Vehicle Transfer, subdivision (c), is DELETED in its entirety, and subdivisions (d), (e) and (f) are relettered (c), (d) and (e) respectively.

**Section 2.** Title 35 of the Rules of the City of New York, Chapter 3, Taxicab Specifications, Section 3-02, is amended by the addition of a new subdivision (f), to read as follows:

*Italics indicate new material.*

*(f) Notwithstanding the foregoing, an Independent Taxicab Owner or a long-term driver, who is also the owner of a vehicle may apply to the Chairperson or his/her designee for an extension of the scheduled retirement date of said vehicle, for a period not to exceed twelve (12) months from the original retirement date. Such application shall comply with each of the following conditions:*

*(1) The vehicle owner shall submit a request in writing, together with any supporting documentation, to the Chairperson or his/her designee, at least thirty (30) days prior to the scheduled retirement date. This thirty (30) day requirement may be waived by the Chairperson or his/her designee upon a showing of a significant change in the vehicle owner's circumstances that occurred within thirty (30) days of the scheduled retirement date, or for other good cause demonstrated to the Chairperson.*

*(2) The vehicle owner must demonstrate an economic or other personal hardship which the Chairperson or his/her designee determines would create an undue burden upon the owner if the extension were not granted.*

*The Chairperson, or his/her designee, may grant an extension of up to twelve months from the original retirement date. The vehicle must continue to meet all safety and emissions requirements of the Commission. The Chairperson or his/her designee shall withdraw any such extension granted in the event the subject vehicle is determined by the Commission at any time to be unsafe for operation.*

### *Statement of Basis and Purpose*

The regulations promulgated herein by the New York City Taxi and Limousine Commission (“TLC”) are authorized under Section 2303(a) of the Charter of the City of New York (“Charter”), empowering the TLC to regulate and supervise the business and industry of transporting passengers by licensed vehicles for-hire in the City; under Section 2303(b) of such Charter, authorizing the TLC to promulgate rules and regulations reasonably designed to carry out its purposes; under section 2303(b)(6) of such Charter, authorizing the TLC to establish requirements for safety, design and comfort of vehicles; and under Section 19-503 of the Administrative Code of the City of New York, authorizing the TLC to promulgate rules and regulations necessary to exercise authority conferred upon it by the Charter.

The existing vehicle retirement rules, adopted by the Commission for vehicles placed in service after March 1, 1996, require that taxicabs be retired within thirty-six (36) months of hack-up if double-shifted and not driven exclusively by long-term drivers, and within sixty (60) months if not double-shifted, or if driven exclusively by long-term drivers. This regulation grants to the Chairperson of the TLC, or his/her designee the discretion to extend the time for which an Independent Taxicab Owner (defined in the Rules of the Commission as an individual, partnership or corporation owning one taxicab), or long-term driver who is also the owner of the vehicle (commonly referred to as a driver-owned vehicle, or “DOV”), may operate his vehicle, for up to twelve (12) months.

The purpose of the vehicle retirement provisions is to ensure public safety by requiring the regular replacement of taxicabs. Vehicles that are operated by Independent Taxicab Owners or by individuals who own their vehicles, but lease their medallions, are generally safer and better maintained than vehicles owned by fleets or minifleets, since these owner/operators have a direct, personal financial interest in the operation of the vehicle. In most cases, the owner drives the vehicle regularly. In addition, many of these vehicles are not double-shifted; fleets and minifleets must double-

shift their vehicles. Under this rule, vehicles owned and operated by either Independent Taxicab Owners or long-term drivers become eligible for an additional period of time in which they may operate their vehicle (up to twelve (12) months). Such vehicles must nonetheless continue to meet all TLC safety and emissions requirements and pass required inspections in order to remain in service.

In order to be considered for this extension the vehicle owner must make a written request to the Chairperson or his/her designee not less than thirty (30) days prior to the scheduled vehicle retirement date. This requirement may be waived for good cause by the Chairperson. The owner must demonstrate a *bona fide* economic or other personal hardship that would create an undue hardship upon the owner if the extension were not granted. If an extension is granted, the owner must continue to pass regular inspections; the Commission also reserves the right to withdraw the extension if the continued operation of the vehicle would create a safety risk to the public.

The Commission also repeals the provision in its rules that permit owners who demonstrate the existence of a unique, unforeseen and unforeseeable hardship to hack-up a vehicle that is up to two model years old. The creation of the new hardship extension permitted by this Rule proposal renders the existing provision obsolete.

This promulgation differs from the original Rule proposal published in the *City Record* on March 23, 2001. A provision requiring that the vehicle have passed each of its previous three inspections without any intervening failures was deleted, since that provision would have disqualified vehicle owners who failed initial inspections for minor defects unrelated to passenger safety and which were subsequently corrected. This change to the previous draft of the Rule was made in response to comments received by the Commission at a public hearing held on April 26, 2001. In addition, the original rule proposal was applicable exclusively to Independent Taxicab Owners. As revised, this rule would also enable long-term owner-drivers, who own their own vehicles but lease the medallion, to also apply for this exemption upon a

showing of an economic or other hardship. Like Independent Taxicab Owners, these individuals have a person interest in maintaining their vehicles safely.

Since the World Trade Center disaster of September 11, 2001, the Commission has received reports for each segment of the for-hire industries it regulates, including the medallion taxicab industry, that there is a decline in the number of passengers transported and revenues received by licensees. Many taxicab and vehicle owners report that their vehicles are being driven fewer miles, and that revenues are declining. Requiring such owners to purchase a new vehicle at this time could create a serious economic hardship, and owners who could demonstrate the existence of such a hardship could apply for a retirement extension. The enactment of this Rule proposal will provide needed financial relief to eligible Independent Taxicab Owners and “DOV”s without compromising public safety.