

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 fines and fees and 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

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Statement of Basis and Purpose

On January 14, 2026, the Mayor issued Executive Order 11, requiring that City agencies review all fees and penalties applicable to small businesses and identify and codify reforms to reduce undue hardships for small businesses. The initiative is led by the Deputy Mayor for Economic Justice. Many of the licensees of the New York City Taxi and Limousine Commission (TLC) are small businesses, such as drivers operating vehicles for hire, vehicle owners, and some base owners.

In compliance with Executive Order 11, TLC is eliminating

- the driver license replacement fee of \$25. This will help drivers who have lost or damaged their license replace their license at no additional fee and return to work.
- rules which impose a \$50 fine for drivers who need to report the loss or theft of their license, have an unreadable license, lost license, or a license that does not match their current appearance. A driver who misuses, or allows another to misuse, their license in an attempt to deceive the public will still be subject to charges under other TLC rules, such as for committing fraud or misrepresentation.
- the \$200 fine assessed against licensed TLC Drivers who take their annual drug test more than 30 days late during the time they hold their TLC license. TLC requires TLC Drivers to complete annual drug testing as an integral part of ensuring public safety. TLC Drivers are required to take and pass a drug test on the first and second anniversary of the date their license was issued. Drivers who miss this deadline are immediately suspended until they successfully complete their drug test. Because they are already suspended, the \$200 fine that is imposed if a driver is more than 30 days late taking their drug test is an additional and unnecessary burden on the driver with minimal disincentive value
- the fines associated with missed inspections for taxicabs pursuant to 35 RCNY §58-29(b) and for-hire vehicles pursuant to 35 RCNY §59A-26(a) range from \$100 to \$500. Both violations may result in the suspension of the license until compliance, therefore an additional fine is an unnecessary burden on the licensee.

TLC received extensive feedback on the proposed rules submitted as both written comments and public testimony. The comments were supportive of the reductions to the fines included in this rulemaking. However, many of the comments submitted requested the TLC to provide more relief for drivers and small businesses and are beyond the scope of the rule changes that were proposed. TLC is continuing to work on ways to provide relief to small businesses and will continue to work to identify other relief without negatively impacting safety and the TLC's regulatory mission.

Based on internal staff comment, TLC is extending relief from missed inspection fines to Street Hail Livery vehicles pursuant to 35 RCNY §82-30(b).

The Medallion Relief Program Supplemental Loan Deficiency Guaranty

In addition to these fee and penalty reductions, 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, in the event that there are no immediate 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.

New material is underlined.

[Material inside brackets indicates deleted material.]

Asterisks (***) indicate omitted text.

Section 1. Subdivision (e) of section 56-07 of Title 35 of the Rules of the City of New York, relating to the fee for replacement of a paratransit driver's license, is REPEALED.

Section 2. Subdivisions (c), (d) and (e) of section 56-10 of Title 35 of the Rules of the City of New York, relating to reporting the loss of a paratransit driver's license, replacing an unreadable license and keeping the license photo updated, are REPEALED, and subdivisions (f) and (g) are re-lettered as subdivisions (c) and (d).

Section 3. Subdivision (e) of section 57-07 of Title 35 of the Rules of the City of New York, relating to the fee for replacement of a commuter van driver's license, is REPEALED.

Section 4. Subdivisions (a) through (d) of section 57-10 of Title 35 of the Rules of the City of New York, relating to reporting the loss of a commuter van driver's license, replacing an unreadable license and keeping the license photo updated, are REPEALED, and subdivision (e) is re-lettered as subdivision (a).

Section 5. The penalty provision of subdivision (b) of section 58-29 of Title 35 of the Rules of the City of New York is amended to read as follows:

§58-29(b)	[Fine: (penalties below are cumulative) 0-30 days past inspection due date: \$100 and Suspension until compliance 31-60 days past inspection due date: \$100-\$250 and Suspension until compliance 61-120 days past inspection due date: \$250-\$500 and Suspension until compliance More than 120 days past inspection due date: \$500 and/or revocation.] <u>Penalty: Suspension until compliance</u>	Appearance REQUIRED
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Section 6. 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.

Section 7. The penalty provision of subdivision (a) of section 59A-26 of Title 35 of the Rules of the City of New York is amended to read as follows:

§59A-26(a)	[Fine: \$100 and suspension] <u>Penalty:</u> <u>Suspension</u> of the Vehicle Owner License until any defect found is corrected or until the vehicle passes inspection, including any applicable inspection by the NYS DOT.	Appearance REQUIRED
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Section 8. Subdivision (e) of section 80-07 of Title 35 of the Rules of the City of New York, relating to the fee for replacement of a taxicab driver's license, is REPEALED, and subdivision (f) is re-lettered as subdivision (e).

Section 9. Subdivisions (a), (b), (d) and (e) of Section 80-10 of Title 35 of the Rules of the City of New York, relating to reporting the loss of a taxicab driver's license, an unreadable license, alteration of a license and updated license photo are REPEALED, subdivision (c) is re-lettered as subdivision (a), and subdivision (f) is re-lettered as subdivision (b).

Section 10. The penalty provision of subdivision (d) of section 80-14 of Title 35 of the Rules of the City of New York is amended to read as follows:

§80-14(d)(3)	[Fine] <u>Penalty</u> : Summary Suspension until compliance. [\$200 if compliance is more than 30 days after the deadline.]	Appearance NOT REQUIRED
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§80-14(d)(4)	[Fine] <u>Penalty</u> : Summary Suspension until compliance. [\$200 if compliance is more than 30 days after the deadline.]	Appearance NOT REQUIRED
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Section 11. The penalty provision of subdivision (b) of section 82-30 of Title 35 of the Rules of the City of New York is amended to read as follows:

§82-30(b)	[Fine: (penalties below are cumulative) 0-30 days past inspection due date: \$100 and Suspension until compliance 31-60 days past inspection due date: \$100-\$250 and Suspension until compliance 61-120 days past inspection due date: \$250-\$500 and Suspension until compliance More than 120 days past inspection due date: \$500 and/or revocation.] <u>Penalty: Suspension until compliance</u>	Appearance REQUIRED
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