

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Promulgation of Rules

Notice is hereby given in accordance with Section 1043(b) of the New York City Charter (“Charter”) that the Taxi and Limousine Commission (“TLC”) promulgates amendments to its rules regarding the responsibilities of Agents that collect taxes on behalf of the MTA and that collect surcharges levied by the TLC.

These rules are promulgated pursuant to Sections 1043 and 2303 of the Charter and Section 19-503 of the Administrative Code of the City of New York.

These rules were published on May 6, 2015, for public comment in the City Record. On June 22, 2015, a public hearing was held by the TLC at its offices at 33 Beaver Street, 19th Floor, New York, New York, 10004. These rules were approved at a TLC Commission Meeting on June 22, 2015. These rules will take effect 30 days after publication.

STATEMENT OF BASIS AND PURPOSE OF RULES

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 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
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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
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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.

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