

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Promulgation of Rules

Notice is hereby given in accordance with section 1043(b) of the Charter of the City of New York (“Charter”) that the Taxi and Limousine Commission (“TLC”) promulgates rules regarding fares applicable to Taxicabs and Street Hail Liveries.

These rules are promulgated pursuant to sections 1043, 2303(b) and 2304 of the Charter.

On July 9, 2012, a public hearing on the rules was held by the TLC at the TLC’s offices at 33 Beaver St., 19th Floor, New York, New York. These rules were approved at the TLC’s public Commission Meeting held on July 12, 2012. These rules will take effect September 4, 2012.

Statement of Basis and Purpose of Rule

This rule amends the Taxi and Limousine Commission’s rules governing fares charged in taxicabs and street hail liveries. The Commission’s authority to make this rule is found in sections 2303 and 2304 of the New York City Charter and section 19-503 of the New York City Administrative Code.

The Commission held hearings on May 31, 2012 and July 9, 2012 at which it received evidence regarding rates of fare. These rules reflect evidence and testimony gathered at the hearings.

The rules:

- Increase fares in taxicabs and street hail liveries by an amount that the TLC estimates will be the equivalent of 17% for the average passenger
- The TLC plans to select a health care assistance entity to provide driver health care and disability coverage. Drivers will pay for the coverage through a deduction of 6 cents per trip for all trips. Funds will be collected in the following manner; T-PEP vendors will charge Owners 6 cents per trip, and owners will pass this cost on to Drivers by deducting the sum from Drivers’ credit card receipts
- Clarify that taxicab markings will be provided only on the Commission’s Web site rather than also set forth in the Rules. This will allow more streamlined updating.

New material is underlined.

[Material inside brackets indicates deleted material.]

Section 1. Subdivision (c) of section 52-04 of Title 35 of the Rules of the City of New York is amended to read as follows:

(c) *Powers and Duties with Respect to Rate-Setting*

- (1) The Commission will have the power and duty to set and enforce rates of fare to be charged and collected.
- (2) The Commission will prescribe, revise and regulate reasonable rates of fare that may be charged and collected for each type of service rendered.
- (3) [In determining the rates of fare, the Commission] Not later than the end of April of every odd-numbered year, the Chairperson shall prepare a report assessing the adequacy of the current fares established under Section 58-26 of these Rules. Such report may consider all relevant facts, including the following:
 - (i) The time and distance of travel;
 - (ii) The character of the service provided;
 - (iii) The gross revenues derived from operation;
 - (iv) The net return derived from operation;
 - (v) The expenses of operation including the income of drivers or operators;
 - (vi) The return upon capital actually expended and the need to reserve some income for surplus and contingencies;
 - (vii) The number of passengers transported;
 - (viii) The effect of fares on the public and in relation to the fares for other forms of public transportation;
 - (ix) The fares and practices with respect to similar services in other cities of the United States[.];
 - (x) Changes in economic circumstances of drivers of Taxicabs since the previous adjustment in the rate of fare.

Such report shall contain a recommendation as to whether the rate of fare should be adjusted, and if so shall contain a recommendation as to the range of adjustment which would be appropriate in light of the foregoing factors and other factors deemed relevant. Such report must be published in the City Record.

- (4) [The Commission may not change the rates of fare except after holding a public hearing at which evidence will be taken and considered.] Not later than the end of April of every odd-numbered year, the Chairperson shall prepare a report assessing the adequacy of the leasercaps established under section 58-21 of these Rules. Such report shall consider all relevant facts, including:

- (i) The expenses of operation of medallion owners and their agents;
- (ii) Practices with respect to similar services in other cities in the United States;
- (iii) Retention of experienced drivers;
- (iv) Changes in economic circumstances of medallion owners since the previous adjustment in the lease caps;
- (v) The economic condition of the taxi industry including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating maintenance costs (including insurance rates, governmental fees, cost of fuel and labor), (iii) costs and availability of financing (including effective rates of interest), (iv) over-all supply of drivers and passengers;
- (vi) Relevant data from the current and projected cost of living indices for the New York-northern New Jersey-Long Island area;
- (vii) Such other data as may be made available to it including but not limited to cost of liability insurance for vehicles, cost of no-fault insurance, cost of fire insurance, cost of liability insurance for the facility, cost of garage equipment, cost of workers' compensation insurance for employees, cost of workers' compensation insurance for non-employee drivers mandated by state statute, cost of maintenance for garage equipment, cost of routine vehicle maintenance, cost of repairing damage to vehicles, cost of dispatchers, cost of managers, cost of mechanics, cost of accountants, cost of drivers to take vehicles to inspection, cost of office support staff, cost of rent, cost of electricity, cost of cleaning, cost of building fuel (gas or oil), cost of real estate taxes, cost of water and sewer taxes, costs of city permits such as for welding or paint shops or necessary facility renovation, costs of workers compensation insurance for employees, costs of social security contribution for employees, cost of taxes, including but not limited to Commercial Motor Vehicle Tax, cost of banking fees, cost of loan maintenance and payments, cost of loan origination fees, cost of telephone and internet access, cost of security, cost of IT including computer systems and internal networks, cost of maintaining computer equipment, cost of software and programming, cost of payments to medallion owners, legal services, accounting services, towing fees, life and medical insurance for employees, cost of processing EZ-Pass® requirements, cost of processing credit card payments, cost of office supplies, cost of garage supplies, cost of parts, including oils, washer fluid and miscellaneous items needed by mechanics, cost of vehicles, and cost of settlements for driver accidents.

Such report shall contain a recommendation as to whether the lease caps should be adjusted, and if so shall contain a recommendation as to the range of adjustment which

would be appropriate in light of the foregoing factors and other factors deemed relevant. Such report must be published in the City Record.

- (5) Not later than the end of July of every odd-numbered year, the Commission shall hold a public hearing on the reports prepared pursuant to paragraphs (3) and (4) of this subdivision. In determining the rates of fare and the lease cap rates, the Commission may consider all relevant facts, including the facts described in such reports and the facts described in paragraphs (3) and (4) of this subdivision.

Section 2. Paragraph (5) of subdivision (c) of section 58-21 of Title 35 of the Rules of the City of New York is amended to add a new subparagraph (viii), to read as follows:

(viii) In addition to these charges, an Owner can deduct from credit card receipts payable to the Driver amounts retained by or payable to the T-PEP Provider, pursuant to the T-PEP Provider's contract with the Commission, provided that

A. such amounts are provided for by contract between the T-PEP Provider and the Commission or by rule of the Commission;

B. such amounts are dedicated for the purpose of providing healthcare services and disability coverage for drivers; and

C. such amounts do not exceed \$0.06 per trip.

Section 3. Paragraphs (1) and (2) of subdivision (f) of section 58-21 of Title 35 of the Rules of the City of New York are amended to read as follows:

- (1) For any lease of a Taxicab (vehicle and Medallion), an Owner (or Owner's Agent) must pay a Driver in cash, on a daily basis, the total amount of all credit card payments made during the Driver's shift, less the \$.06 per trip driver health surcharge described in subdivision 58-21(k);
- (2) For any lease not described in subparagraph (1), an Owner (or Owner's Agent) must pay the Driver in cash, on no less than a weekly basis, the total amount of all credit card payments made during that period, less the \$.06 per trip driver health surcharge described in subdivision 58-21(k).

Section 4. Subdivision (f) of section 58-21 of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (5), to read as follows:

(5) An Owner can deduct from credit card receipts payable to the Driver amounts retained by or payable to the T-PEP Provider, pursuant to the T-PEP Provider's contract with the Commission, provided that

- (i) such amounts are provided for by contract between the T-PEP Provider and the Commission or by rule of the Commission;
- (ii) such amounts are dedicated for the purpose of providing healthcare services and disability coverage for drivers; and
- (iii) such amounts do not exceed \$0.06 per trip.

Section 5. Subdivisions (a) and (b) of section 58-26 of Title 35 of the Rules of the City of New York are amended to read as follows:

(a) *Metered Rate of Fare.*

- (1) *Metered Rate of Fare.* The rate of fare for Taxicabs is as follows, regardless of the number of passengers or stops:
 - (i) The charge for the initial unit is \$2.50
 - (ii) The charge for each additional unit is \$[.40] .50
 - (iii) The unit of fare is:
 - A. One-fifth of a mile, when the Taxicab is traveling at 12 miles an hour or more; or
 - B. 60 seconds (at a rate of \$[.40] .50 per minute), when the Taxicab is traveling at less than 12 miles an hour.
 - (iv) The Taximeter must combine fractional measures of distance and time in accruing a unit of fare. Any combination of distance or time specified in paragraph (iii) above must be computed by the Taximeter in accordance with Handbook 44 of the National Institute of Standards and Technology.
 - (v) The fare must include pre-assessment of the unit currently being accrued; the amount due can therefore include a full unit charge for a final, fractional unit.
- (2) *Surcharges.* In addition to the metered rate of fare, Taxicabs will add the following surcharges, except where surcharges are specifically exempted:
 - (i) A rush hour surcharge of \$1.00 for all trips beginning on a weekday after 4:00 p.m. and before 8:00 p.m.; this surcharge will not be applied on legal holidays

(ii) A nighttime surcharge of \$.50 for all trips beginning after 8:00 p.m. and before 6:00 a.m.

(3) *MTA Tax.* The MTA Tax must be charged on any trip that starts in New York City and ends in any of the following:

- (i) New York City
- (ii) Dutchess County
- (iii) Nassau County
- (iv) Orange County
- (v) Putnam County
- (vi) Rockland County
- (vii) Suffolk County
- (viii) Westchester County

(b) *Flat Rates from Kennedy Airport.*

(1) *Flat Fare Rate to Manhattan.* The fare for a trip between Kennedy Airport and Manhattan will be a Flat Rate of \$[45]52, plus any tolls.

- (i) NO surcharge will be added to this Flat Rate.
- (ii) The MTA Tax must be charged in addition to the Flat Rate.
- (iii) The Taximeter must reflect that this trip is a Flat Rate fare.

(2) *Calculating Fare for Multiple Stops to Manhattan.* If passengers request multiple stops on a trip from Kennedy Airport to Manhattan, the fare will be determined as follows:

- (i) The first stop in Manhattan is paid as required by paragraph (1) of this subdivision (a Flat Rate fare of \$[45]52 plus tolls plus the MTA Tax).
- (ii) The Taximeter is then turned on as if for a new trip and a new fare is calculated as a regular metered trip.
- (iii) The total metered fare (plus any surcharge) is paid at the last stop by the remaining passenger.

- (iv) No fare is due at the time any other passengers are dropped off between the first and last passenger.
- (v) Example: if three passengers request stops at 42nd St., 18th St. and 4th St.:
 - A. \$[45.50] 52.50 will be collected at 42nd St.
 - B. The Taximeter will be turned on at that point
 - C. When the second passenger exits at 18th St., the Taximeter remains on and no money is paid to the Driver.
 - D. The passenger dropped off at 4th St. must pay the fare on the Taximeter.
- (3) *Metered Fare to Boroughs Other Than Manhattan.* All trips between Kennedy Airport and a borough other than Manhattan are governed by the metered rate of fare as set forth in §58-26(a).
- (4) *Chairperson's Right to Suspend this Provision.* The Chairperson is authorized to suspend the enforcement of this provision at any time, if in the judgment of the Chairperson such a suspension is necessary to preserve adequate levels of service to and from Kennedy Airport.

Section 6. Paragraph (3) of subdivision (d) of section 58-26 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (3) For a trip to Newark Airport the fare will be the sum of the following amounts:
 - (i) The amount shown on the Taximeter, plus
 - (ii) A surcharge of \$[15.00]17.50, plus
 - (iii) All necessary tolls to and from the destination

Section 7. Subdivision (a) of section 58-32 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (a) *Approved Exterior Markings.*
 - (1) An Owner of a Taxicab must apply to the exterior of the Taxicab [the following] markings approved by the Commission[:

- (i) Two Taxicab logo decals
 - (ii) Two rate of fare decals
 - (iii) Two Medallion number decals
 - (iv) Two checkerboard stripe decals]
- (2) An Owner of a Taxicab must obtain the approved Taxicab markings from a person or entity authorized by the Commission to print and distribute the decals. A depiction of the decals and a list of persons authorized to print and distribute the decals will be available on the Commission's website and/or through other means determined by the Commission and announced on its website.
- (3) Authorized Stand-by vehicles must display SBV number decals in lieu of the Medallion number decals.

Section 8. Subdivisions (a) and (b) of section 82-26 of Title 35 of the Rules of the City of New York are amended to read as follows:

(a) *Metered Rate of Fare When Accepting Passengers by Hail.*

- (1) *Metered Rate of Fare.* The rate of fare for Street Hail Liveries for Passengers in Hail Trips is as follows, regardless of the number of passengers or stops:
- (i) The charge for the initial unit is \$2.50
 - (ii) The charge for each additional unit is \$[.40] .50
 - (iii) The unit of fare is:
 - A. One-fifth of a mile, when the Street Hail Livery is traveling at 12 miles an hour or more; or
 - B. 60 seconds (at a rate of \$[.40] .50 per minute), when the Street Hail Livery is traveling at less than 12 miles an hour.
 - (iv) The Taximeter must combine fractional measures of distance and time in accruing a unit of fare. Any combination of distance or time specified in paragraph (iii) above must be computed by the Taximeter in accordance with Handbook 44 of the National Institute of Standards and Technology.
 - (v) The fare must include pre-assessment of the unit currently being accrued; the amount due can therefore include a full unit charge for a final, fractional unit.

(2) *Surcharges.* In addition to the metered rate of fare, Street Hail Liveries will add the following surcharges for Hail Trips, except where surcharges are specifically exempted:

(i) A rush hour surcharge of \$1.00 for all trips beginning on a weekday after 4:00 p.m. and before 8:00 p.m.; this surcharge will not be applied on legal holidays

(ii) A nighttime surcharge of \$.50 for all trips beginning after 8:00 p.m. and before 6:00 a.m.

(3) *MTA Tax.* The MTA Tax must be charged on any Hail Trip that starts in New York City and ends in any of the following:

(i) New York City;

(ii) Dutchess County;

(iii) Nassau County;

(iv) Orange County;

(v) Putnam County;

(vi) Rockland County;

(vii) Suffolk County;

(viii) Westchester County.

(b) *Flat Rates to Kennedy Airport.*

(1) *Flat Fare Rate from Manhattan.* The fare for a Hail Trip to Kennedy Airport from a location in Manhattan which is in the Hail Zone will be a Flat Rate of \$[45]52, plus any tolls.

(i) NO surcharge will be added to this Flat Rate.

(ii) The MTA Tax must be charged in addition to the Flat Rate.

(iii) The Taximeter must reflect that this trip is a Flat Rate fare.

(2) *Metered Fare from Boroughs Other Than Manhattan.* All Hail Trips to Kennedy Airport from a borough other than Manhattan are governed by the metered rate of fare as set forth in §82-26(a).

- (3) *Chairperson's Right to Suspend this Provision.* The Chairperson is authorized to suspend the enforcement of this provision at any time, if in the judgment of the Chairperson such a suspension is necessary to

Section 9. Paragraph (3) of subdivision (d) of section 82-26 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (3) For a trip to Newark Airport the fare will be the sum of the following amounts:
- (i) The amount shown on the Taximeter, plus
 - (ii) A surcharge of \$[15.00] 17.50, plus
 - (iii) All necessary tolls to and from the destination