

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Revised Public Hearing Date for Proposed Rules

Notice is hereby given in that a public hearing scheduled by the Taxi and Limousine Commission ("TLC") on a proposed Rule Regarding Ownership of Taxicab Medallions by Limited Liability Companies, which proposed rule would alter ownership requirements for holders of taxicab medallions to clarify that limited liability companies, or LLCs, may own such medallion, scheduled to be held on June 8, 2006 at 9:30 a.m. by a notice appearing in The City Record on May 1, 2006, is rescheduled.

A public hearing on these proposed rules will now be held by the TLC at its offices at 40 Rector Street, 5th Floor, New York, New York 10006 on June 15, 2006, at 9:30 a.m. Persons wishing to testify at the hearing may notify the TLC in advance, either in writing or by telephone to the TLC's Office of Legal Affairs at the address and telephone given below. Any request for a sign language interpreter or other form of reasonable accommodation for a disability at the hearing must be submitted to the Office of Legal Affairs in writing, by telephone, or by TTY/TDD no later than June 8, 2006.

The date for receipt of written comments is unchanged, and written comments in connection with these proposed rules should be submitted to the Office of Legal Affairs and must be received no later than June 5, 2006 to:

Charles R. Fraser
Deputy Commissioner for Legal Affairs/General Counsel
Taxi and Limousine Commission
40 Rector Street, 5th Floor
New York, New York 10006
Telephone: 212-676-1117
Fax: 212-676-1102
TTY/TDD: 212-341-9596

Written comments and a summary of all comments received at the hearing will be available for public inspection at that office.

Section 1. It is hereby proposed that the definition of “Applicant” contained in Section 1-01 of chapter 1, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Applicant. (a) An “applicant” is an individual, partnership, limited liability company or corporation seeking a license for a medallion taxicab.

(b) Whenever within this chapter reference is made to the partners, general partners, shareholders and/or officers of an applicant, such reference shall also include the members and managing members of any applicant which is a limited liability company.

Section 2. It is hereby proposed that the definition of “Fleet” contained in Section 1-01 of chapter 1, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Fleet. A “fleet” is a corporate entity or limited liability company:

- (1) organized for the ownership for operation of twenty-five (25) or more taxicabs;
- (2) which are dispatched from a single location serving as both garage and office of record, which has been approved by the Commission as adequate for the storage, maintenance, repair and dispatch of fleet taxicabs; and
- (3) which has a dispatcher on the premises at least eighteen (18) hours every day, who is responsible for assigning drivers to fleet taxicabs.

Section 3. It is hereby proposed that the definition of “Independent taxicab owner” contained in Section 1-01 of chapter 1, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Independent taxicab owner. An “independent taxicab owner” is an individual, partnership, limited liability company or corporation owning only one medallion taxicab in the City of New York.

Section 4. It is hereby proposed that the definition of “Minifleet” contained in Section 1-01 of chapter 1, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Minifleet. A “minifleet” is a limited liability company or corporation licensed by the Commission to own and operate two (2) or more taxicabs.

Section 5. It is hereby proposed that the definition of “Owner” contained in Section 1-01 of chapter 1, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Owner. (a) An “owner” is an individual, partnership, limited liability company or corporation licensed by the Commission to own and operate a medallion taxicab or taxicabs.

(b) Whenever within this chapter reference is made to the partners, general partners, shareholders and/or officers of an owner, such reference shall also include the members and managing members of any owner which is a limited liability company.

Section 6. It is hereby proposed that the definition of “Transfer” contained in Section 1-01 of chapter 1, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Transfer. A “transfer” is a conveyance of an interest in a taxicab license or interest in a limited liability company owning a taxicab license or stock in a corporation owning a taxicab license, from one party to another.

Section 7. It is hereby proposed that the definition of “Owner” contained in Section 5-01 of chapter 5, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

Owner. Owner means an individual, partnership, limited liability company or corporation licensed by the Commission to own and operate a medallion taxicab or taxicabs.

Section 8. It is hereby proposed that Section 13-01 (d) of chapter 13, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

(d) “Commission,” “minifleet,” “owner,” “taxicab,” and “taxicab license” shall have the meanings of those terms as defined in section 1-01 of this title.

Section 9. It is hereby proposed that Section 13-02 (d) of chapter 13, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

(d) A minifleet medallion shall be owned only by a minifleet in which each officer, director, member, managing member or shareholder does not have a financial interest in any independent medallion.

Section 10. It is hereby proposed that Section 13-03 (g) of chapter 13, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

(g) The rights of a winning bidder are not assignable prior to the close of sale except that such rights may be assigned to a corporation or limited liability company by a winning bidder who is a shareholder or member of such corporation or limited liability company.

Section 11. It is hereby proposed that Section 15-01 (g) of chapter 15, title 35 of the Rules of the City of New York be amended to read as follows:

New material is underscored.

(g) **Owner.** “Owner” shall mean an individual, partnership, limited liability company or corporation licensed by the Commission to own and operate a medallion taxicab or taxicabs.

Statement of Basis and Purpose

The proposed rules would amend existing rules to allow limited liability companies to own and operate taxicab medallions. In addition, the proposed rules would provide that members and managing members of such limited liability companies would be subject to the same requirements as are partners, shareholders, officers and directors of corporate and partnership owners and operators of taxicab medallions, for all purposes of the Taxicab Owners Rules, including with respect to fitness to own taxicab medallions.

The existing rules provide that taxicab medallions may be owned by individuals, partnerships and corporations. The governing statute, section 19-502(i) of the New York City Administrative Code, authorizes a broader scope of entities that may own taxicab medallions: “any person, firm, partnership, corporation or association.” The limited liability company structure may offer certain advantages for some owners when compared with the personal, partnership or corporate forms of ownership – in particular, industry representatives have indicated that the limited liability company structure can have tax advantages over other forms of taxicab medallion ownership. At the same time, based on review of the law governing limited liability companies, the Taxi and Limousine Commission believes that taxicab medallion owners’ use of the limited liability company structure will not impair the Commission’s ability to regulate and monitor the taxicab industry.