

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 that amend the TLC’s Rules for classification for certain taxicabs.

These rules are promulgated pursuant to sections 1043 and 2303(b) of the Charter and section 19-503 of the Administrative Code of the City of New York.

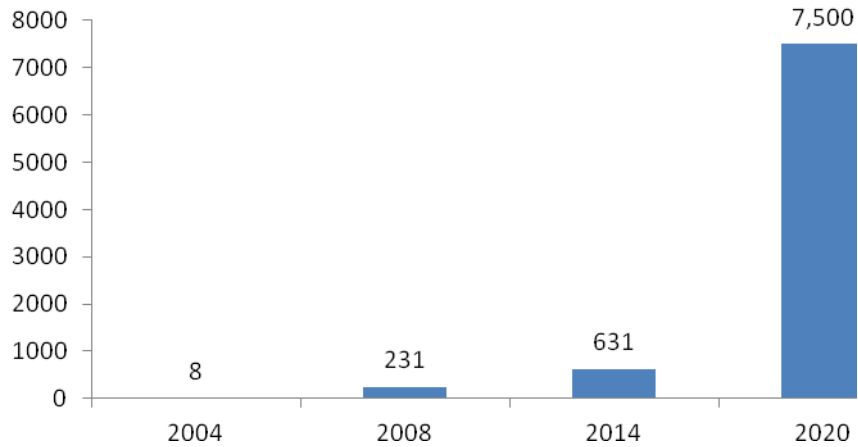
On April 30, 2014, a public hearing was held by the TLC at the TLC’s offices at 33 Beaver St., 19th Floor, New York, New York. These rules were approved at the hearing on April 30, 2014. These rules will take effect 30 days after publication.

Statement of Basis and Purpose of Rule

The Taxi and Limousine Commission (TLC) is adopting a rule that will create two funds to finance improvements in the taxicab and street hail livery industries. The initial goal of the fund that will be created for the taxicab industry is to make it easier for mobility-impaired customers who use wheelchairs to get a taxi when and where they need it, by increasing the number of wheelchair accessible taxis on the road in New York City from the current 231 to over 7,500. The other fund will serve a similar purpose for passengers, owners and drivers of street hail livery vehicles.

The rule imposes a \$0.30 per ride surcharge on taxicab and street hail livery trips that will finance these funds. One of these funds, to be financed by the surcharge on taxicab rides, will help medallion owners and drivers to make certain improvements to better serve their passengers, including conversion to accessible vehicles. The rule also amends vehicle requirements to substantially increase the accessibility of the existing taxicab fleet to passengers with mobility impairments. As a result of these provisions, half of the vehicles in New York City’s taxi fleet will be accessible by 2020 (see table below). The rule supplements the TLC’s ongoing initiatives to increase accessibility through the sale of additional accessible medallions and implementation of an accessible taxicab dispatch program.

**Number of Accessible Vehicles in NYC's Taxi Fleet
2004-2020**



The rule also imposes penalties for violation of the new requirements.

Specifically, the rule requires the following:

Amended Vehicle Requirements

Medallion owners must meet the requirements listed below beginning on the “Accessible Conversion Start Date,” which will be the date when a vehicle is available that meets TLC’s standards for accessible taxicabs and the Administrative Code’s requirements regarding alternative fuel taxicabs. If no such vehicle is available by January 1, 2016, then that date will be the “Accessible Conversion Start Date.”

Unrestricted minifleet medallion owners:

- Where a minifleet consists of two medallions, the medallion assigned to the first vehicle that is scheduled to retire after the effective date of these rules must be hacked-up with an accessible vehicle. Thereafter, at least one medallion (though not necessarily the same medallion) must be assigned to an accessible vehicle.
- Where a minifleet consists of more than two medallions, every medallion scheduled to retire after the effective date of these rules must be hacked up with an accessible vehicle until one-half (or the nearest fraction exceeding one-half) of the minifleet’s vehicles are accessible. Thereafter, at least one half of the minifleet’s medallions (though not necessarily the same medallions) must be assigned to accessible vehicles.

Unrestricted independent medallion owners:

- Unrestricted medallions assigned to vehicles that are scheduled to retire during the second six-month period following the Accessible Conversion Start Date will be placed

into a lottery, in which one-half will be selected to be placed into service with an accessible vehicle . As the successive vehicles to which those medallions are assigned reach their retirement dates, the medallions will be assigned on an alternating basis, first to non-accessible vehicles, then to accessible vehicles. The medallions that are not selected in this lottery may be placed into service with a non-accessible vehicle. As the successive vehicles to which those medallions are assigned reach their retirement dates, the medallions will be assigned on an alternating basis, first to accessible vehicles, then to non-accessible vehicles. In this way, a schedule of alternating assignments to accessible and non-accessible vehicles will be established for all medallions placed in this lottery.

- Unrestricted medallions assigned to vehicles that are scheduled to be retired during the third six-month period following the Accessible Conversion Start Date will be placed into another lottery, to be held six months after the first lottery, in which one-half will be selected to be placed into service with an accessible vehicle. The medallions not selected in this lottery may be placed into service with a non-accessible vehicle. As the successive vehicles to which medallions in this group are assigned reach their retirement dates, the same schedule of alternating assignments to accessible and non-accessible vehicles will apply for all medallions placed in this lottery.
 - Lotteries for unrestricted independent medallions will continue to be held twice a year until a schedule of alternating assignments to accessible and non-accessible vehicles is established for all unrestricted independent medallions.

Alternative Fuel medallion owners:

- When an accessible alternative fuel vehicle is available, these medallions will be placed on a schedule of alternating assignments to accessible and non-accessible vehicles, in the same manner as unrestricted independent medallions.

Accessible medallion owners:

- Must continue to use their medallions with accessible vehicles.

Owners required to convert under these rules can trade the requirement with any owner who is not required to convert, provided that the vehicles of both owners are scheduled to be retired during the same calendar year.

The rule also contains provisions to prevent owners from transferring medallions without providing a plan to the TLC for continued compliance with accessibility conversion requirements.

New Funds to Finance Accessible Conversions

The rules provide for the creation of the new Taxicab Improvement and Street Hail Livery Improvement Funds, which will be funded by surcharges on both taxi and Street Hail Livery trips. These Improvement Funds will fund grants made to Street Hail Livery licensees and medallion owners who are required to purchase an accessible vehicle, and to drivers who operate

accessible taxicabs and Street Hail Liveries. The TLC will review the improvement funds annually, by no later than the end of April in each year beginning in 2017, to assess whether the funds and surcharges are appropriate in light of the costs the funds will defray.

New Taxicab Improvement Surcharge

The rules provide for a surcharge of \$0.30 per taxicab ride, to be divided between medallion taxicab drivers and owners to pay for accessibility costs. A portion of the surcharge, \$0.05 per ride, will be reserved for drivers to help compensate for costs associated with accessibility, including the costs associated with additional training related to driving accessible vehicles. Of the remaining \$0.25 of the surcharge:

- Owners of all Medallions will pay this amount into the new Taxicab Improvement Fund (TIF). It is anticipated that monies in the TIF will be sufficient to provide, for each accessible vehicle in use with a Minifleet Medallion or Independent Medallion, approximately:
 - \$14,000 for vehicle purchase, and
 - \$16,000 to cover additional operational costs associated with accessible taxis, which is comprised of,
 - \$1,500 per year over four years for estimated additional maintenance costs, and,
 - \$2,500 per year over four years to cover estimated lost revenue associated with additional days off of the road
- In addition, monies from the TIF will be used to help finance the accessible dispatch program established in Chapter 53 of TLC's rules.

For purposes of calculating the cost to owners of the accessible vehicle conversion requirement, the vehicle conversion cost will be the maximum difference between the cost of accessible and non-accessible versions of the Nissan NV200 Taxi. TLC estimated operational costs by surveying accessible owner-drivers on maintenance needs for accessible vehicles and by comparing 2013 taxi trip data on the number of annual revenue shifts performed between accessible and non-accessible taxi vehicles.

New Street Hail Livery Improvement Surcharge

The rules create the Street Hail Livery Improvement Fund, to be financed by a surcharge of \$0.30 per street hail livery ride. The TLC anticipates that the Street Hail Livery Improvement Fund will be used for purposes similar to those of the Taxicab Improvement Fund, that is, assisting owners and drivers to maintain accessibility in the markets served by Street Hail Liveries, and providing grants to facilitate continued accessibility when the TLC's current grant program for accessible Street Hail Liveries ends.

Driver Training Requirements

All new drivers must receive wheelchair passenger assistance training beginning on June 1, 2014; all current drivers must receive such training within one year of the effective date of their taxi driver's license renewals.

Penalties for Violation of New Rule

The rule imposes penalties for failure to remit the surcharge as required for both drivers and medallion owners.

These rules are authorized by Section 2303 of the Charter and Section 19-503 of the Administrative Code of the City of New York.

New material is underlined.

[Deleted material is in brackets.]

Section 1. Section 51-03 of Title 35 of the Rules of the City of New York is amended by adding, in alphabetical order, new definitions of Accessible Conversion Start Date, Street Hail Livery Improvement Surcharge, Street Hail Livery Improvement Fund, Taxicab Improvement Surcharge and Taxicab Improvement Fund, to read as follows:

Accessible Conversion Start Date is the date which is the earlier of (1) the date on which there is available an Accessible Taxicab Model that meets the specifications of Section 67-05.2 of these Rules and the requirements of §19-533 of the Administrative Code, as certified by the Chairperson, or (2) January 1, 2016. To the extent possible, the Chairperson will place a notice of the Accessible Conversion Start Date on the Commission's Web site at least 60 days prior to the Accessible Conversion Start Date.

Street Hail Livery Improvement Surcharge is the surcharge of \$0.30 per trip that will be added to every Hail Trip in a Street Hail Livery beginning on January 1, 2015. The Street Hail Livery Improvement Surcharge will be deposited into the Street Hail Livery Improvement Fund.

Street Hail Livery Improvement Fund is the City-managed fund, which is funded by the Street Hail Livery Surcharge and from which subsidy payments will be made to Street Hail Livery Licensees who are required to purchase an Accessible Vehicle, and to Drivers who operate Accessible Street Hail Liveries. Certain monies remitted to the Street Hail Livery Improvement Fund will be used to make grants of equal, set amounts to all vehicle owners who will be required to purchase Accessible Vehicles or for other programs to enhance the accessibility of Street Hail Liveries. Monies in the Fund may also be used for other purposes, including, but not limited to, offsetting the costs associated with driver training and funding the Accessible Vehicle dispatch program established in Chapter 53 of these rules. The driver portion of these monies will be paid to Drivers who operate Accessible Street Hail Liveries.

Taxicab Improvement Surcharge is the surcharge of \$0.30 per trip that will be added to every taxicab trip beginning on January 1, 2015. The Taxicab Improvement Surcharge will be deposited into the Taxicab Improvement Fund.

Taxicab Improvement Fund is the City-managed fund, which is funded by the Taxicab Improvement Surcharge and from which subsidy payments will be made to Medallion Owners or their Agents, or Drivers, who are required to purchase an Accessible Vehicle pursuant to Section 58-50 of these rules, and to Drivers who operate Taxicabs required to be accessible pursuant to Section 58-50 of these rules. Monies remitted to the Taxicab Improvement Fund will be used to make grants of equal, set amounts to all vehicle owners of vehicles in use with Medallions who will be required to purchase Accessible Vehicles under Section 58-50 of these rules. Monies in the Fund may also be used for other purposes, including, but not limited to, offsetting the costs associated with driver training and funding the Accessible Vehicle dispatch program established in Chapter 53 of these rules. The driver portion of these monies will be paid to Drivers who operate Accessible Taxicabs, including those required to be accessible pursuant to Section 58-50 of these rules.

Section 2. Section 54-04(n)(1) of Title 35 of the Rules of the City of New York is amended to read as follows:

(1) Training Must be Approved by Commission. In order to become a driver of an Accessible Taxicab or an Accessible Street Hail Livery, a Driver must attend a Commission-approved training course regarding Wheelchair Passenger assistance (Note: this requirement does not apply to a Paratransit Driver operating an Accessible Street Hail Livery). Beginning on June 1, 2014, any Applicant for a new Taxicab Driver's License must attend and complete the training course as a condition of licensure after an application for licensure has been accepted by the Agency. Beginning on the Accessible Conversion Start Date, any Applicant for a renewal Taxicab Driver's License must attend and complete the training course as a condition of licensure. Every holder of a Taxicab Driver's License must have completed the training by no later than one year after the Accessible Conversion Start Date as a condition of continued licensure.

Section 3. Section 54-17 of Title 35 of the Rules of the City of New York is amended to add new subdivisions (k) and (l), to read as follows:

(k) Taxicab Improvement Surcharge. When operating a taxicab, the Driver must remit the Taxicab Improvement Surcharge to the Taxicab Medallion Owner.

§54-17(k)	Fine: \$50 per occurrence	Appearance NOT REQUIRED
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(l) Street Hail Livery Improvement Surcharge. For each Hail Trip in a Street Hail Livery, the Driver must remit the Street Hail Livery Improvement Surcharge to the Street Hail Livery Base.

§54-17(l)	Fine: \$50 per occurrence	Appearance NOT REQUIRED
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Section 4. Subdivisions (a) through (pp) of section 58-03 of Title 35 of the Rules of the City of New York are relettered subdivisions (b) through (qq), and a new subdivision (a) is added, to read as follows:

(a) Accessible Conversion Start Date is the date which is the earlier of (1) the date on which there is available an Accessible Taxicab Model that meets the specifications of Section 67-05.2 of these Rules and the requirements of §19-533 of the Administrative Code, as certified by the Chairperson, or (2) January 1, 2016. To the extent possible, the Chairperson will place a notice of the Accessible Conversion Start Date on the Commission's Website at least 60 days prior to the Accessible Conversion Start Date.

Section 5. Section 58-16 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (g), to read as follows:

(g) Taxicab Improvement Fund.

(1) An Owner of a Medallion, or his or her Agent, must pay the entire Taxicab Improvement Surcharge remitted by the Taxicab Driver to the Taxicab Improvement Fund.

(2) The Owner of any Medallion, or his or her Agent, must pay the Taxicab Improvement Surcharge to the Taxicab Improvement Fund at the time required by the Commission.

(3) If an Owner, or his or her Agent, does not pay the Taxicab Improvement Surcharge to the Taxicab Improvement Fund at the time required, non-payment will be grounds for suspension of the Taxicab License, and/or denial of any renewal application or of any application for another TLC-issued license, as well as monetary penalties.

(4) Taxicab Improvement Surcharge. The Taxicab Improvement Surcharge will be allocated as follows:

(i) Drivers: 5 cents from the Taxicab Improvement Surcharge on each trip will be paid into a portion of the Taxicab Improvement Fund which will be allocated to Drivers of Accessible Taxicabs, including those required to be accessible under section 58-50 of these Rules.

(ii) Owners of All Medallions: 25 cents from the Taxicab Improvement Surcharge on each trip will be paid into a portion of the Taxicab Improvement Fund which will be used to make grants to persons required to place a vehicle that is required to be accessible under Section 58-50 of these Rules into use.

<u>58-16(g)</u>	<u>Fine: \$1000 and suspension until compliance</u>	<u>Appearance REQUIRED</u>
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Section 6. Section 58-21(c)(5) of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (xii), to read as follows:

(xii) Beginning on January 1, 2015, the Taxicab Improvement Surcharge, which must be paid as provided in Section 58-16 of these Rules.

Section 7. Section 58-21(f)(1) and (f)(2) 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) under paragraph 58-21(c)(1) or 58-21(c)(2), 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(f)(5) and, on and after January 1, 2015, the Taxicab Improvement Surcharge payable to the Taxicab Improvement Fund as set forth in Section 58-16;
- (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(f)(5)) and, on and after January 1, 2015, the Taxicab Improvement Surcharge payable to the Taxicab Improvement Fund as set forth in Section 58-16.

Section 8. Section 58-26(a)(1)(i) of Title 35 of the Rules of the City of New York is amended to read as follows:

(i) The charge for the initial unit is \$2.50 plus, on and after January 1, 2015, the Taxicab Improvement Surcharge of \$0.30 for a total of \$2.80

Section 9. Section 58-26 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (i), to read as follows:

(i) Beginning on January 1, 2015, the Taxicab Improvement Surcharge must be collected in addition to any fare charged under subdivisions (b) through (d) of this Section.

Section 10. Title 35 of the Rules of the City of New York is amended by adding a new section 58-50, to read as follows:

§58-50 Accessible Vehicle Conversion.

(a) Accessible Vehicle Hack-up: Unrestricted and Alternative Fuel Minifleet Medallions

(i) Beginning on the Accessible Conversion Start Date, any Unrestricted Medallion which is a Minifleet Medallion for which a new vehicle is placed into service must be Hacked-up with an Accessible Taxicab meeting the requirements of Section 67-05.2 of these Rules until at least 50 percent of the Unrestricted Minifleet Medallions owned by such Minifleet are Hacked-up with an Accessible Taxicab that meets the requirements of Section 67-05.2 of these Rules.

(ii) Following the Accessible Conversion Start Date and beginning at such time that there is available a vehicle qualified for use with an Alternative Fuel Medallion that is also qualified as an Accessible Taxicab under Chapter 67 of these Rules, any Alternative Fuel Minifleet Medallion for which a new vehicle is placed into service must be Hacked-up with a vehicle that is qualified for use with both an Alternative Fuel Medallion and an Accessible Medallion under Chapter 67 of these Rules, until at least 50 percent of the Alternative Fuel Minifleet Medallions owned by such Minifleet are Hacked-up with such vehicles.

(b) Accessible Vehicles Hacked-up.

An Accessible Vehicle, as indicated by vehicle identification number, which is Hacked-up with any Minifleet Medallion in order to comply with Accessible Taxicab Hack-up requirements for a Minifleet Medallion under subdivision (a) of this section can satisfy an Accessible Taxicab Hack-up requirement under subdivision (a) only at the time of first Hack-up.

(c) Accessible Vehicle Hack-up: Unrestricted and Alternative Fuel Independent Medallions

(i) Beginning on the Accessible Conversion Start Date, 50 percent of all Unrestricted Medallions which are Independent Medallions for which a new vehicle is placed into service in each calendar year must be Hacked-up with an Accessible Taxicab meeting the requirements of Section 67-05.2 of these Rules.

(ii) Following the Accessible Conversion Start Date and beginning at such time that there is available a vehicle qualified for use with an Alternative Fuel Medallion that is also qualified as an Accessible Taxicab under Chapter 67 of these Rules, 50 percent of all Alternative Fuel Independent Medallion for which a new vehicle is placed into service in each calendar year must be Hacked-up with a vehicle that is qualified for use with both an Alternative Fuel Medallion and an Accessible Medallion under Chapter 67 of these Rules.

(iii) The TLC will select the Independent Medallions that will be subject to this requirement in a bi-annual lottery. This procedure will also be used for Alternative Fuel Medallions when a qualifying vehicle is available. The lottery will determine accessible vehicle Hack-up requirements for Independent Medallions (including Alternative Fuel Independent Medallions when applicable) until the next following scheduled vehicle replacement for those medallions.

(iv) The TLC will conduct the lottery on or before January 1 of each year for medallions which must place an Accessible Taxicab into service from July 1 to December 31 of that year. For medallions which must place an Accessible Taxicab into service from January 1 to June 30 of the next calendar year, the lottery will be held on or before July 1 of the preceding year.

(v) The TLC will post on its Web site which Independent Medallions must be Hacked-up with an Accessible Taxicab meeting the requirements of Section 67-05.2 of these Rules as soon as practicable following the lottery.

(vi) Those Medallions that are not selected in the lottery held pursuant to paragraph (iv) of this subdivision to Hack-up an Accessible Taxicab in their next vehicle replacement will be required to place an Accessible Taxicab into service in their next following scheduled vehicle replacement.

(d) Any vehicle valid for use with an Unrestricted Medallion or Alternative Fuel Medallion and Hacked-up prior to the Accessible Conversion Start Date can remain in use as a Taxicab until its scheduled retirement as set forth in §67-18 of this Chapter, as may be modified by §67-19.

(e) *Transfer of Accessible Vehicle Conversion Requirement.*

(i) In any calendar year, any Owner or vehicle owner required to Hack-up a Medallion with an Accessible Vehicle under this Rule will be permitted to transfer such requirement to any other Owner or vehicle owner who is not subject to that requirement and is required to Hack-up a vehicle during the same calendar year.

(ii) Any Owner or vehicle owner wishing to transfer the Accessible Vehicle conversion requirement as provided in paragraph (i) of this subdivision must provide notice to the Chairperson in the form specified by the Chairperson at least 60 days prior to the scheduled retirement date, as set forth in §67-18 of this Chapter, as may be modified by §67-19, of the transferor's vehicle or of the transferee's vehicle, whichever is earlier.

(iii) Any Owner agreeing to accept the Accessible Vehicle conversion requirement pursuant to paragraph (i) of this subdivision must follow all requirements of this Rule as

if such owner were required to Hack-up an Accessible Vehicle pursuant to subdivisions (a) or (c) of this Section.

- (f) Conversion through Scheduled Retirement: A Taxicab Medallion required to be placed into service with an Accessible Vehicle under this Section must continuously be Hacked-up with an Accessible Vehicle for a minimum of four years.
- (g) Any Owner of a Taxicab Medallion placed into service with an Accessible Taxicab pursuant to this section must comply with all requirements of Chapter 53 of these Rules.
- (h) The TLC will review the Taxicab Improvement Fund annually, by no later than the end of April, beginning in 2017, to assess the adequacy of the Fund, the uses of the Fund, and the surcharge funding the Fund receives, and will produce a report annually with the result of its assessment and recommendations and analysis. Such recommendations and analysis shall include but not be limited to the following: (i) whether the current surcharge should be lowered, raised or kept the same; (ii) a review of possible alternate sources of funding for the Fund other than the surcharge; and (iii) the costs incurred by Owners and Drivers that are required to purchase and operate Accessible Vehicles as opposed to those Owners and Drivers who are not so required. Such report shall be submitted to the Speaker of the NYC Council and posted on TLC’s website upon completion of the report.
- (i) The provisions of this section do not apply to Accessible Medallions that were originally issued as Accessible Medallions. Owners of taxicabs in service with Accessible Medallions that were originally issued as Accessible Medallions will not receive grants funded by the Taxicab Improvement Fund.

Section 11. Section 59B-13 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (n), to read as follows:

(n) Street Hail Livery Improvement Fund.

- (1) A Street Hail Livery Base must pay the Street Hail Livery Improvement Surcharge remitted by the Driver for each Hail Trip to the Street Hail Livery Improvement Fund.
- (2) The Street Hail Livery Base must pay the Street Hail Livery Improvement Surcharge to the Street Hail Livery Improvement Fund at the time required by the Commission.
- (3) If the Street Hail Livery Base does not pay the Street Hail Livery Improvement Surcharge to the Street Hail Livery Improvement Fund at the time required, non-payment may be grounds for suspension of the Street Hail Livery Base License, and/or denial of any renewal application or of any application for another TLC-issued license, as well as monetary penalties.

59B-13(n)	Fine: \$1000	Appearance REQUIRED
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Section 12. Section 82-26(a)(1)(i) of Title 35 of the Rules of the City of New York is amended to read as follows:

(i) The charge for the initial unit is \$2.50 plus, on and after January 1, 2015, the Street Hail Livery Improvement Surcharge of \$0.30 for a total of \$2.80

Section 13. Section 82-26 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (i), to read as follows:

(i) Beginning on January 1, 2015, the Street Hail Livery Improvement Surcharge must be collected in addition to any fare charged under subdivisions (b) through (d) of this Section.

Section 14. Title 35 of the Rules of the City of New York is amended by adding a new section 82-70, to read as follows:

§82-70 Street Hail Livery Improvement Fund Review

(a) The TLC will review the Street Hail Livery Improvement Fund annually, by no later than the end of April, beginning in 2017, to assess the adequacy of the Fund, the uses of the Fund, and the surcharge funding the Fund receives, and will produce a report annually with the result of its assessment and recommendations and analysis. Such recommendations and analysis shall include but not be limited to the following: (i) whether the current surcharge should be lowered, raised or kept the same; (ii) a review of possible alternate sources of funding for the Fund other than the surcharge; and (iii) the costs incurred by Owners and Drivers that are required to purchase and operate Accessible Vehicles as opposed to those Owners and Drivers who are not so required. Such report shall be submitted to the Speaker of the NYC Council and posted on TLC's website upon completion of the report.