# Chapter 58 Medallion Taxicab Service

## Contents


§58-01 Scope of this Chapter ..... 3
§58-02 Penalties ..... 3
§58-03 Definitions Specific to this Chapter ..... 4
§58-04 Licensing – General Requirements ..... 8
§58-05 Licensing – Special Requirements ..... 11
§58-06 Licensing – Term of License ..... 15
§58-07 Licensing – Fees ..... 16
§58-08 Licensing – Causes for Denial ..... 17
§58-09 RESERVED [Licensing – Procedures for Approval / Denial] ..... 20
§58-10 Licensing – Transfer of License (see §§58-43-48) ..... 20
§58-11 Licensing – Care of Medallion License & Rate Card ..... 20
§58-12 Compliance with Law – No Unlicensed Activity ..... 22
§58-13 Compliance with Laws – Insurance Coverage ..... 23
§58-14 Compliance With Laws – Workers' Compensation ..... 26
§58-15 Compliance with Law – Personal Conduct ..... 26
§58-16 Compliance with Law – Miscellaneous ..... 29
§58-17 Operations – Business Premises ..... 32
§58-18 Operations – Management Oversight ..... 34
§58-19 RESERVED [Operations – Service Requirements (Passengers)] ..... 36
§58-20 Operations – Responsibilities with Respect to Drivers ..... 36
§58-21 Leasing a Taxicab or Medallion ..... 47
§58-22 Records – Trip Record Information ..... 66
§58-23 Records – Contact Information ..... 68
§58-24 Records – Maintenance Requirements ..... 69

**§58-25 Reporting Requirements** ..... 70
**§58-26 Operations – Rates and Tolls** ..... 71
**§58-27 Operations – EZ-Pass® Required** ..... 77
**§58-28 Operations – Miscellaneous Requirements** ..... 79
**§58-29 Vehicle Condition – Inspections** ..... 79
**§58-30 Vehicle Condition – Meet Safety Standards** ..... 80
**§58-31 Vehicle Condition – Miscellaneous** ..... 81
**§58-32 Vehicle – Markings & Advertising** ..... 82
**§58-33 Vehicles – Items Required in Vehicle** ..... 87
**§58-34 Vehicle Equipment** ..... 88
**§58-35 Vehicle Equipment – Partitions** ..... 90
**§58-36 Vehicle Equipment – In Vehicle Camera System (IVCS)** ..... 91
**§58-37 Vehicle Equipment – Taximeters** ..... 92
**§58-38 Vehicle Equipment – Taximeter Defects** ..... 93
**§58-39 Vehicle Equipment – Taximeter Tampering** ..... 94
**§58-40 Vehicle Equipment – Taxicab Technology System (T-PEP) Installation** ..... 96
**§58-41 Vehicle Equipment – Taxicab Technology System (T-PEP) Operation** ..... 97
**§58-42 Vehicles – Use of Stand-by Vehicles (SBV)** ..... 98
**§58-43 Medallion Transfers – Overview** ..... 99
**§58-44 Medallion Transfers – Special Requirements** ..... 100
**§58-45 Medallion Transfers – Application Documentation and Requirements.** ..... 103
**§58-46 Medallion Transfers – Transferor Must Clear the Medallion.** ..... 109
**§58-47 Medallion Transfers – Tort Claims** ..... 109
**§58-48 Medallion Transfers – Special Provisions Regarding Estates and Incompetency** ..... 116

*Updated September 19, 2013*

## §58-01 Scope of this Chapter

(a) To establish the procedures and requirements for obtaining a Taxicab License

(b) To establish the rules and regulations for operating a Taxicab

(c) To establish the penalties for violating the Rules

## §58-02 Penalties

(a) *Unlicensed Activity.*

(1) Unlicensed Activity is the act of providing or advertising the provision of any Commission-regulated for hire transportation service by:

(i) Any Licensee whose License is suspended, revoked, or expired and not yet renewed, or

(ii) Any person who does not hold a Valid License or Authorization from the Commission as a for hire driver, for the for hire vehicle, or for the for hire service, as applicable.

(2) Unlicensed Activity specifically includes the activities listed in §19-506 and §19-528 of the Administrative Code, and can subject the violator to the seizure and possible forfeiture of the vehicle involved.

(b) *Specific Penalties.* If there are specific penalties for violating a Rule, they are shown at the end of the Rule. The penalty section also states whether the violator must attend the Hearing.

(c) *Payment of Fines.*

(1) Fines are due within 30 days of the day the Respondent is found guilty of the violation.

(2) If the Respondent files an appeal of the decision imposing the fines within 30 days of the date of the decision, the payment of the fines will be deferred until a decision on the appeal is made (see §68-14(d) of these Rules).

If the Respondent requests a copy of the Hearing recording (see §68-14(e) of these Rules) within 7 calendar days of the hearing, the time for either filing an appeal or paying the fines will be the later to occur of either 30

days from the date of the decision or 21 days from the date the recording is issued.

(3) If the fine is not paid by the close of business on the date due, the Commission will notify the Respondent in writing that the Respondent's License will be suspended in ten business days of the date of the notification until the fine is paid, unless the Respondent demonstrates to the Commission, in person or in writing, that the fine has been paid.

## §58-03 Definitions Specific to this Chapter

(a) *Taxi Accessibility Fee* as used in this Chapter, is the fee required by these rules to be paid by Owners to the Accessible Taxi Dispatcher to provide accessible service to Wheelchair using Passengers. The Taxi Accessibility Fee shall be set in accordance with the terms of an agreement between the Commission and an approved vendor and will be based on the per medallion cost to the vendor for equipment, administrative expenses associated with operation of the dispatch system, outreach and Dispatch Fees

(b) *Administrator* for the purposes of this Chapter, will refer to an executor, administrator, conservator, guardian or any other person or entity legally appointed to act on behalf of an Owner of a Taxicab Medallion due to owner's death or incompetency.

(c) *Applicant* in this chapter means the individual or Business Entity applying for an original or renewal Taxicab License under this Chapter in whose name the License applied for will be issued.

(d) *Business Entity* in this Chapter includes corporations, partnerships and limited liability companies.

(e) *Claim Letter* is a letter asserting a possible Excess Claim against an Owner of a Taxicab Medallion or a Taxicab Medallion.

(f) *Dispatch*. When used in this Chapter, the term Dispatch refers to an Owner sending out one or more Taxicabs for a particular shift; it does NOT mean sending a Taxicab to pick up a particular passenger by pre-arrangement.

(g) *Dispatch Fee.* The fee payable to the Driver of an Accessible Taxicab for completing a trip dispatched by the Accessible Taxi Dispatcher. The Dispatch Fee will be $6 for trips under .5 miles; $10 for trips between .5 miles and 1 mile; and $15 for all trips over 1 mile. The Dispatch Fee will include tolls to the pickup location and will also include an additional $5 fee for wait time if the Driver waits for the passenger for more than 10 minutes after the later of either the appointed

pickup time or the Driver's arrival at the pickup location (the $5 is also payable if no passenger appears).

(h) *Driver* in this Chapter means a Taxicab Driver.

(i) *Driver Authorization Statement* is the document an Owner files with the Commission indicating that a Taxicab will be operated by the Named Drivers listed or by Unspecified Drivers, along with the required additional information.

(j) *Escrow Amount* is the amount for which an escrow account is required to be established in order to satisfy one or more Excess Claims.

(k) *Excess Claim* is a Tort Claim asserted against the Owner of a Taxicab Medallion for more than the amount of insurance covering the Taxicab at the time the claim arose.

(l) *Fair Market Value* in reference to the transfer of a Taxicab Medallion is the average value of arms-length transactions for similar Medallions during the prior calendar month, as determined by the Commission.

(m) *Flat Rate* is a definite dollar amount that will be charged to a Taxicab passenger for a specific trip, and is fixed before the trip begins (*NOTE*: "double the Taximeter" is *not* a Flat Rate).

(n) *Fleet* is a Business Entity organized for the purpose of owning or operating Taxicabs that meets the following requirements:

(1) Controls a minimum of 25 Taxicabs

(2) has a single business location that is adequate for the storage, maintenance, repair and dispatch of the Fleet Taxicabs and the storage and maintenance of records

(3) operates with a dispatcher on the premises at least 18 hours every day, who assigns Drivers to Fleet Taxicabs.

(o) *Group Ride Program* is a program established by the Commission for the transportation of more than one passenger from a common location to destinations within a specified common geographic area.

(p) *Independent Medallion Driver* is a Driver who meets the following requirements as to one Independent Medallion:

(1) The Driver drives the Taxicab an average of at least 120 hours per month;

(2) The Driver is either

A. the title owner of the Taxicab vehicle or

B. the lessee of the Taxicab vehicle and the vehicle lease has a conditional purchase agreement for the vehicle; and

(3) The Driver is not an Independent Medallion Driver for any other Independent Medallion.

(q) *Legatee* means someone to whom the proceeds of an estate are to be distributed.

(r) *License* in this Chapter means a Taxicab License.

(s) *Licensee* in this Chapter means the holder of a Taxicab License.

(t) *Market Value* in reference to the transfer of a Taxicab Medallion will be the greater of: (i) the actual consideration being paid for the transfer; and (ii) the Fair Market Value.

(u) *Maximum Escrow Amount* means:

(1) The Market Value of the Taxicab Medallion being transferred less the value of any debt or liens secured by the Medallion and the Transfer costs

PLUS

(2) The value of any proceeds of any refinancing received by the Owner that was not used to reduce any previously existing debt or liens secured by the Medallion following the date of an occurrence of an alleged tort involving the Taxicab which gives rise to a potential Excess Claim

(v) *Medallion* is the numbered plate originally issued by the Commission and affixed to the outside of a Taxicab as physical evidence that the Taxicab has been licensed to operate as a Medallion Taxicab.

(w) *MTA Tax* is the 50 cent tax on taxicab trips imposed by Article 29-A of the NYS Tax Law.

(x) *Named Drivers* is a term indicating that only the Drivers specifically named on the Rate Card are allowed to drive the Taxicab.

(y) *Owner* in this Chapter means an individual or Business Entity licensed by the Commission to own and operate one or more Medallion Taxicabs.

(z) *Prior Claim Letter* is a Claim Letter received by the Commission prior to February 1, 2009.

(aa) *Secured Lender Escrow Amount* means the Market Value of the Taxicab Medallion being transferred less the value of any debt or liens secured by Medallion and the Transfer Costs.

(bb) *Secured Lender Recipient* means a secured creditor seeking to repossess or foreclose upon a Taxicab Medallion in order to realize the value of its secured interest, but that is *not* applying to operate the Taxicab Medallion and will not be considered a Transferee provided the Secured Lender Recipient places the Medallion in storage as required in §58-46(c) of this Chapter.

(cc) *Stop-Use Directive* is a notice sent to an Owner by the Commission directing the Owner to stop using a designated Agent because that Agent's License has been revoked or suspended.

(dd) *10 % Business Entity Person* is a Business Entity Person who owns at least 10% of a Business Entity.

(ee) *Accessible Taxi Dispatcher*. The Accessible Taxi Dispatcher is the entity which, under contract with the Commission, will convey dispatches, or requests for accessible service to Drivers of Accessible Taxicabs to provide transportation for a Wheelchair using Passenger or group of Passengers, at least one of whom must be in a wheelchair, for trips that originate in Manhattan.

(ff) *Substantial Interest in Taxicab Medallions* means direct or indirect ownership of four or more Medallions, that can result from one or more of the following:

(1) Ownership of 25 percent or more of the stock in one or more corporations that own Medallions

(2) Ownership of 25 percent or more of the membership interests in one or more LLC's that own Medallions

(3) A partnership interest in one or more partnerships that own Medallions

(4) Being an officer in one or more corporations that, in the aggregate, have a direct or indirect equity interest in four or more Medallions.

(gg) *Taxicab License* is the authority granted by the Commission for an Applicant to own and operate a designated vehicle as a Taxicab within the Commission's jurisdiction, and is evidenced by the Medallion affixed to the hood of the vehicle.

(hh) *Taxpayer* is a person or Business Entity required to pay the MTA Tax.

(ii) *Tort Letter* is a statement from the insurer of a Taxicab stating whether or not the insurer is aware of any Excess Claims against the Taxicab Medallion or its Owner.

(jj) *Transfer* means the transfer of all or any portion of a Medallion ownership interest, including the transfer of interests in a Business Entity owning Medallions.

(kk) A *Transferee* is an Applicant seeking approval from or approved by the Chairperson to o*wn and ope*rate a Medallion Taxicab in which Applicant is acquiring an interest, either directly or indirectly, through a transfer described under §58-43.

(ll) *Transfer Costs* means the administrative costs involved in processing a transfer of ownership of a Taxicab Medallion and includes the costs of any foreclosure or similar action and any outstanding fines or fees owed to the Commission or the Parking Violations Bureau.

(mm) *Transferor* is the Owner of an interest in a Taxicab Medallion being transferred.

(nn) *Valid Claim Letter* is a Claim Letter which is not a Prior Claim Letter, and which:

(1) Is dated no more than one year prior to the date documentation is submitted to the Chairperson for a proposed transfer of a Taxicab Medallion,

(2) Sets forth a minimum claim in an amount sufficient to be an "Excess Claim",

(3) Includes a copy of the police report regarding the incident in question, and

(4) Includes a representation by the sender that the party against which the Excess Claim has been asserted has been provided with a copy of the Claim Letter.

(oo) *Unspecified Driver* is a term that is entered on a Rate Card indicating that the Taxicab can be driven by any Licensed Taxicab Driver whose name (or category) has been filed with the Commission by the Owner of that Taxicab.

(pp) *Wheelchair Passenger*. A Wheelchair Passenger is a Passenger using a wheelchair.

## §58-04 Licensing – General Requirements

(a) *Identification.* An individual or all Business Entity Persons of a Business Entity applying for a Taxicab License must provide to the Commission proof of identity in the form of:

(1) A Valid Government-issued photo ID and

(2) A Valid, original Social Security Card.

(b) *Age.* An individual or all Business Entity Persons of a Business Entity applying for a Taxicab License or its renewal must be at least 18 years of age.

(c) *Good Moral Character.*

(1) An individual or all Business Entity Persons of a Business Entity applying for a Taxicab License must be fingerprinted and must be of good moral character. Fingerprinting for the purpose of investigating good moral character is also required of the following, unless waived by the Chairperson in his or her discretion:

(i) Any new Business Entity Persons added by a Licensee

(ii) Any individual or Business Entity Persons of a Business Entity that provides funds for any Owner, unless the provider is a licensed bank or loan company

(2) Applicant's criminal history will be considered in a manner consistent with the Corrections Law of the State of New York.

(d) *Fit to Hold a License.* An individual or Business Entity must demonstrate to the satisfaction of the Commission that the Applicant is Fit to Hold a License of an Owner of a Taxicab License.

(e) *Drivers Designated as Agents to Accept Service.*

(1) An Owner must designate each and every Driver who operates one of Owner's Taxicabs as an agent to accept service of Commission notices to correct defects in the Taxicab.

(2) Delivery of a notice of defect to a Driver will be adequate service of notice to the Owner.

(f) *Financial Disclosure.*

(1) An Applicant for a Taxicab License where the Applicant already owns one or more Medallion Taxicabs must provide a financial disclosure statement to the Commission.

(2) The disclosure statement must be completed on a form provided by the Commission and must include the disclosure of assets, liabilities, income

and net worth of all Business Entity Persons of a Business Entity Applicant, as well as any other information required by the Commission.

(3) The financial disclosure statement must be given under oath and must include all attachments and documentation required by the Commission.

(g) *Liability Insurance.* The Applicant must have liability insurance coverage by bond or policy as required by the State of New York and these Rules.

(h) *Payment of Fines and Fees.*

(1) An Applicant, including an applicant for a renewal License, must pay, and provide proof of payment of, any outstanding fines or fees owed by the Applicant to

(i) the Commission,

(ii) NYC Department of Finance's Parking Violations Bureau,

(iii) NYC Department of Finance's Red Light Camera Unit,

(iv) NYS DMV's Traffic Violations Bureau and

(v) any of their successor agencies.

(2) This requirement includes payment of fines and fees owed as of the date of the application by

(i) any Business Entity Persons of the Applicant

(ii) any Business Entity of which the Applicant is a Business Entity Person, and

(iii) any Business Entity of which a Business Entity Person of Applicant is also a Business Entity Person.

(3) An Applicant, including an Applicant for a renewal License, must pay any fines related to their failure to surrender a previously revoked License (of any type), unless the Applicant can demonstrate in person or in writing that the License has been surrendered.

(i) *Address.* An Applicant must give the Commission the Applicant's current Mailing Address.

## §58-05 Licensing – Special Requirements

(a) *Commission Approval*. All Medallion transfers, including partial transfers, must be approved by the Commission. All Applicants to own a Medallion or an interest in a Medallion must be approved by the Commission.

(b) *Concurrent Purchase and Licensing of Medallion.* An application to own and operate a Medallion Taxicab must be filed by any individual or Business Entity acquiring a Medallion, including an interest in a Medallion, either:

(1) As part of the public sale or auction process, if the Applicant is purchasing a Medallion from the Commission

(2) Jointly, with the current Owner (the "transferor") of the Medallion, if the Applicant is purchasing a Medallion from a private Owner,

(3) As a transfer of an interest in an Owner,

(4) By becoming a new Business Entity Person in an Owner, or

(5) By succeeding to the interest of any Owner or Business Entity Person of any Owner.

(c) *Vehicle Ownership Requirements.* An Applicant must demonstrate to the satisfaction of the Commission that the Applicant:

(1) Owns a vehicle that meets all of the requirements set forth in Chapter 67 (Taxicab Hack-Up) of these Rules, as well as the requirements of all other governmental agencies having concurrent jurisdiction.

(2) Possesses the certificate of title and the certificate of registration, both of which must be in the name of the Applicant unless title is retained by a lessor or conditional vendor; and

(3) Has provided the Commission with all information required concerning the financing of the purchase price of the Medallion and/or Taxicab.

(d) *"Owner-Must-Drive" Rule*.

(1) If an Applicant is an Independent Medallion Owner and acquires his or her interest in the Medallion on or after January 7, 1990:

(i) The Applicant, including an Applicant for a renewal License, must also have a Valid Taxicab Driver's License, and

(ii) The Applicant must pledge that he or she will personally drive the Taxicab enough hours to fulfill the applicable Owner-Must-Drive service requirements set forth in §58-20(a)(3) for at least 10 years.

(iii) *Exception.* A Licensee who is a renewal Applicant and who is providing service with an Independent Medallion Driver as provided in Section 58-20(a)(4) of these rules does not need to maintain a Taxicab Driver's License if all of the following are met:

A. The Applicant acquired the Independent Medallion prior to July 1, 2011 and has owned it continuously;

B. The Applicant held a Taxicab Driver's License for at least two years; and

C. The Applicant met the service requirement specified in Section 58-20(a) (that is at least 210 nine-hour shifts per year or 180 nine-hour shifts per year) for at least two years.

(iv) *Exception for Inheriting Spouse.* An Applicant who is an inheriting spouse, including a registered domestic partner, of a deceased Licensee who, at the time of death, would have otherwise met each of the other requirements set forth in this subsection 58-05(d) does not need to maintain a Taxicab Driver's license.

(2) If the Applicant is a Business Entity, one or more 10% Business Entity Persons must fulfill this requirement. One 10% Business Entity Person can provide the complete requirement or up to four 10% Business Entity Persons can divide up the requirement.

(e) *Licensing – Special Requirements for Business Entities.*

(1) *Partnerships.* If the Applicant is a partnership, it must file with its application a certified copy of the partnership certificate from the clerk of the county where the partnership's principal place of business is located.

(2) *Corporations.*

(i) If the Applicant is a corporation it must file the following with its Taxicab License application:

A. A certified copy of its certificate of incorporation

B. A list of officers and shareholders

C. A certified copy of the minutes of the meeting at which the current officers were elected

(ii) No corporate or trade name will be accepted by the Commission that is similar to a name already in use by another Owner.

(iii) All officers and shareholders of the corporate Taxicab License Applicant must disclose each and every Medallion in which he or she has any interest whatsoever, including but not limited to, any interest as individual Owner or as a Business Entity Person in a Business Entity that owns other Medallion(s); this disclosure must be made:

A. Upon original application for the Taxicab License,

B. Upon application for renewal of a Taxicab License, and

C. Upon application for transfer of a Taxicab License

(iv) All corporate officers and shareholders are subject to the same standards and criteria as individual Owners.

(v) The Commission will only recognize corporate officers that have been approved by the Commission.

(vi) It is a violation of these Rules for a corporate Owner to appoint a new officer without the approval of the Commission.

(vii) Temporary approval contingent on final approval can be permitted in cases where an officer has resigned or died and another individual must be able to continue the regular daily operation of the Owner corporation.

(viii) The standards and criteria for Ownership are equally applicable when the shares of a corporate Owner are held by another Business Entity.

(3) *Closed Corporations.*

(i) A stockholder in a closed corporation that owns a Medallion will be personally accountable for complying with these Rules and any other laws that relate directly and uniquely to Medallion Ownership.

(ii) If a closed corporation wants to transfer stock or Medallion(s) to another closed corporation that is already an approved Medallion owner, the stockholders of the transferee corporation must sign an assumption and indemnification agreement in which they agree to assume all of the duties and responsibilities set forth in these Rules and to indemnify the Commission for all unpaid fines or fees regarding the Medallion(s) owned by the transferor corporation.

(4) *Limited Liability Companies (LLCs).*

(i) If the Applicant is a limited liability company it must file the following with its Taxicab License application:

A. A copy of its articles of organization

B. A copy of its operating agreement

C. A list of the members, with the percentages of the Applicant owned by each.

(ii) No LLC or trade name will be accepted by the Commission that is similar to a name already in use by another Owner.

(iii) All members of the LLC Taxicab License Applicant must disclose each and every Medallion in which he or she has any interest whatsoever, including, but not limited to, any interest as an individual Owner or any interest as a Business Entity Person in a Business Entity that owns other Medallion(s); this disclosure must be made:

A. Upon the original application for the Taxicab License,

B. Upon application for renewal of a Taxicab License, and

C. Upon application for transfer of a Taxicab License.

(iv) All members of the Owner are subject to the same standards and criteria as individual Owners.

(v) The Commission will only recognize members that have been approved by the Commission.

(vi) It is a violation of these Rules for an Owner that is an LLC to add a new member without the approval of the Commission.

(vii) The standards and criteria for Ownership are equally applicable when membership interests in a LLC Owner are held by another Business Entity.

## §58-06 Licensing – Term of License

(a) *New License.*

(1) *Length of Term.* The term of a new Taxicab License is a maximum of two years.

(2) *Expiration Date.* The first term of Taxicab License expires on May 31st of the year set by the Commission.

(b) *Renewal License.*

(1) *Length of Term.* Each renewal term is two years and expires on May 31st of the second year of the term.

(2) *Extension.* The Chairperson can extend the effectiveness of a Taxicab License until the completion of the next scheduled inspection of the Taxicab, or as the Chairperson believes is appropriate.

(c) *Filing for Renewal.*

(1) A renewing applicant must file a completed application by no later than April 30th of each year in which a License is scheduled to expire.

(2) A renewing Applicant can file a completed application after April 30 as a "late application," if the Applicant pays a late fee of $25. This fee is in addition to any penalties specified for a violation of this Rule.

(3) The postmark date is the date of filing for an application that is filed by mail. The date of submission is the date of filing for an application that is filed in person.

(4) A License for which a renewal application has not been filed by April 30 is not Valid and cannot be used until the renewal is approved. This is in addition to any penalties specified for a violation of this Rule.

(5) It is the Owner's responsibility to obtain a renewal application in order to comply with the filing deadline.

| | | |
|---|---|---|
| §58-06(c) | Fine: $1000 and suspension up to 30 days for failure to file by April 30. | Appearance NOT REQUIRED |

(d) *Suspended Licenses*.

(1) If a License is suspended, the Licensee must apply for renewal as required in (c) above if the Licensee wants to renew the License. Failure to complete the renewal requirements means that the License will be subject to the penalties provided for in (c).

(2) A License that is suspended is not Valid and cannot be used until the suspension ends. This is true even if the Applicant has filed an application for a renewal.

(e) *Advertising Permits.* A permit to display exterior advertising runs for one year or less and each permit will expire on the 31st day of August.

**§58-07 Licensing – Fees**

(a) *Annual Fee.* The fee for each Taxicab License is $550 annually; the fee will be pro-rated if the License will be owned for less than one year by the next May 31st.

(b) *Medallion Plate Replacement Fee.*

(1) The fee for a new Medallion "tin" will be $10. This fee will be charged when the Commission issues a new "tin", including when it issues a new model of "tin".

(2) If a "tin" is lost, stolen or damaged, the replacement fee is $25.

(c) *License Plate Replacement Fee.* The Commission's fee for replacement of license plates issued by the New York State Department of Motor Vehicles will be $25 per vehicle.

(d) *Inspection Fee.* The Commission's fee for a required Taxicab Safety and Emissions inspection is $90; this fee includes the certificate of inspection issued when the Taxicab passes the inspection. Inspection fees must be prepaid with each application and renewal application.

(e) *Reinspection Fee.* There is a reinspection fee only if reinspection is required because the Taxicab failed the component of the inspection required by Section 301 of the New York State Vehicle and Traffic Law. In that case, the reinspection fee is thirty five dollars ($35). If reinspection is required because the Taxicab failed any other component of the inspection, there is no reinspection fee.

(f) *Stand-By Vehicle Fee.* The fee for each Stand-By Vehicle is $550 annually. Inspection fees are also charged for Stand-By Vehicles.

(g) *Advertising Permit Fee.* The fee for a permit to display exterior advertising is $50 annually. If a permit is surrendered in less than 6 months, one half of the fee will be refunded.

(h) *Vehicle Transfer Fees*

(1) An Owner can transfer a Medallion from one vehicle to another after approval by the Chairperson and payment of a $50 fee.

(2) An Owner can replace the license plates on a Taxicab after approval by the Chairperson and payment of a $25 fee.

(3) An Owner can transfer the license plates from one vehicle to another after approval by the Chairperson and payment of a $25 fee.

(4) An Owner must pay a separate fee for each separate transfer. This is true even if the Owner wants to do several types of vehicle transfer all at one time.

(i) *No Refund if Application Denied.* The Commission will not refund fees if it denies or disapproves the application.

(j) *Taxi Accessibility Fee*. An Owner must pay the Taxi Accessibility Fee charged by the Accessible Taxi Dispatcher for each Medallion owned. The Taxi Accessibility Fee must be paid whenever charged.

## §58-08 Licensing – Causes for Denial

(a) *Failure to Meet Requirements.* The Commission can deny an application for a License or its renewal of any Applicant who fails to meet the requirements. The Commission will inform the Applicant, in writing, of the specific reason(s) for this denial.

(b) *Material Misrepresentation or Falsification*. The Commission will deny an application for a License or its renewal, or can impose other sanctions, if any of the following occurs:

(1) The Applicant makes a material misrepresentation in the application

(2) The Applicant fails to inform the Commission of a material change in the information contained in the application

(3) The Applicant attempts to conceal the identity of a party having an interest in the ownership of a Taxicab

(c) *No Longer Meets Requirements.* The Commission can deny an application for a License or its renewal and can revoke or suspend any License if the Commission becomes aware of information that the Owner no longer meets the requirements for an Owner's License.

(d) *Violation of the Rules.* The Commission can deny an application for a License if, within the past two years, the Applicant (or any Business Entity Person of a Business Entity Applicant) has engaged in any of the following:

(1) Assault of a passenger, official or member of the public in any way relating to a Taxicab

(2) Any instance of bribery or unlawful gratuity toward a city employee

(3) Providing the Commission with false information

(4) Two or more unlawful passenger service refusals

(5) Two or more incidents of overcharging, as a Driver

(6) Three failures to respond to an official communication

(7) Three or more vehicle safety violations for a particular Taxicab

(8) Whether as an individual has or as a Business Entity Person of a Business Entity that has:

(i) Ten or more outstanding unexcused failures to appear at scheduled TLC hearings, or

(ii) Ten or more unsatisfied Commission fines or fines that remained unsatisfied until renewal.

(e) The Applicant's criminal history will be reviewed in a manner consistent with the NYS Corrections Law.

(f) *Chronic Disregard of Public Welfare.* An Applicant will not be approved to own another Medallion or to be a stockholder or an officer in another corporate Medallion Owner if he or she has evidenced a chronic disregard for the rules and regulations that impact the welfare, safety or security of the riding public.

(g) *Failure to Complete Application Requirements.*

(1) The Chairperson will deny an application for a new License if the Applicant has not completed all the requirements of an application within 180 days of the date the application is filed.

(2) The Chairperson will not deny an application under this Rule if completion is delayed because the Chairperson has not issued a final decision and the Applicant has complied with any requests made by the Chairperson.

(h) *Late Filing Fee*. The Commission will charge an additional fee of $25 for a late filing of a renewal application, if it allows the filing at all.

(i) *Additional Consideration of an Application.* If a review of the application leads the Chairperson to believe that the Applicant may not be Fit to Hold a License, the Chairperson may seek additional information from the Applicant. This request for additional information may be an in-person interview, telephone call, letter, e-mail, or other method of communication. This additional consideration may result in the denial of the application. Failure to provide any requested information within the time frame requested, or failure to appear at a scheduled interview will result in a denial of the application.

(j) *Commercial Motor Vehicle Tax*.

(1) The Commission will deny an application, including a renewal application, if the following Commercial Motor Vehicle Tax amounts are not paid for any Vehicle subject to the application:

(i) The Commercial Motor Vehicle Tax amount required under subdivision (k) of section 58-04 of this Chapter, including the interim payment, if any, or

(ii) Any additional Commercial Motor Vehicle Tax amount for any tax year or period which the New York City Department of Finance has notified the Commission is due and unpaid.

(2) Payment of the Commercial Motor Vehicle Tax amount described in paragraph (1) of this subsection is a condition to issuance of a License, including a renewal License, and the maintaining of such License.

(3) An Applicant applying to renew a vehicle for which the Commercial Motor Vehicle Tax has not been paid at the time that the renewal application is submitted is deemed not to have submitted the application by the required deadline and may be subject to penalties under section 58-06(c) of this chapter.

**§58-09 RESERVED [Licensing – Procedures for Approval / Denial]**

**§58-10 Licensing – Transfer of License (see §§58-43-48)**

**§58-11 Licensing – Care of Medallion License & Rate Card**

(a) *Do Not Alter Rate Card*. An Owner must not change, mark, cross out or make any unauthorized entries on a Taxicab's Rate Card, or display a Rate Card that contains wrong information.

| | | |
|---|---|---|
| §58-11(a) | Fine: $50 if plead guilty before a hearing; $100 if found guilty following a hearing. | Appearance NOT REQUIRED |

(b) *Replace Damaged Medallion or Rate Card.* An Owner must immediately surrender an unreadable Rate Card or a damaged Medallion to the Commission for replacement.

| | | |
|---|---|---|
| §58-11(b) | Fine: Notice to correct within 10 days. Failure to comply: $200 and suspension until compliance | Appearance REQUIRED |

(c) *Replace Damaged Medallion or Rate Card.* An Owner must immediately surrender an unreadable Rate Card or a damaged Medallion to the Commission for replacement.

(1) An Owner must notify the Commission and the Police Department of the theft, loss or destruction of any Medallion or Rate Card within 48 hours (not including weekends and holidays) of the loss.

(2) The Owner must also provide any affidavit or information the Commission requires, including the police receipt number.

(3) A substitute Medallion and Rate Card will be issued by the Commission.

| | | |
|---|---|---|
| §58-11(c)(1)-(2) | Fine: $200 | Appearance NOT REQUIRED |

(d) *Report Finding Lost Medallion or Rate Card*.

(1) An Owner must notify the Commission and the Police Department within 24 hours (not including weekends and holidays) after locating any Medallion or Rate Card that was reported as stolen or lost.

(2) The Owner must also provide any affidavit or information the Commission requires.

| | | |
|---|---|---|
| §58-11(d) | Fine: $200 for the first violation; $350-$500 for the second or subsequent violation(s) within 36 months | Appearance NOT REQUIRED |

(e) *Surrender Medallion and Rate Card***.** An Owner must surrender Owner's Medallion and Rate Card to the Commission:

(1) Within 48 hours of notice that Owner's Taxicab License has been suspended or revoked

(2) Prior to the sale of Owner's Taxicab

(3) Prior to removal of Owner's Taxicab from service for a period of 30 or more consecutive days

| | | |
|---|---|---|
| §58-11(e) | Fine: $200 if plead guilty before a hearing; $300 if found guilty following a hearing. | Appearance REQUIRED |

(f) *Report Replaced New York License Plates*. An Owner must report to the Commission the replacement of any lost or stolen New York State license plates within 48 hours (not including weekends and holidays) after getting the new plates.

| | | |
|---|---|---|
| §58-11(f) | Fine: Notice to correct within 10 days. Failure to comply: $200 and suspension until compliance | Appearance REQUIRED |

## §58-12 Compliance with Law – No Unlicensed Activity

(a) *No Unlicensed Taxicabs.* An Owner must ensure that all of Owner's Taxicabs in operation for hire are Validly licensed by the Commission and have a Valid Medallion attached to the vehicle.

| | | |
|---|---|---|
| §58-12(a) | Fine: $300 and/or suspension up to 30 days | Appearance REQUIRED |

(b) *No Advertising as "Taxi" if Unlicensed.* An Owner who does not have a Valid License must not hold himself or herself out to the public as a "taxi," "Taxicab" or "hack" service.

| | | |
|---|---|---|
| §58-12(b) | Fine: $50-$350 and/or suspension up to 30 days | Appearance REQUIRED |

(c) *No Unregistered Vehicles.*

(1) An Owner must ensure that all of Owner's Taxicabs are operated only while the registration of the vehicle remains Valid.

(2) Operating a vehicle without a Valid registration will be considered the same as operating without a Valid Taxicab License.

| | | |
|---|---|---|
| §58-12(c) | Fine: $100-$350 and/or suspension up to 30 days; Summary Suspension until compliance | Appearance REQUIRED |

(d) *No Unlicensed Drivers.*

(1) No Taxicab can be operated for hire unless the driver has in his or her possession a Valid Taxicab Driver's License.

| | | |
|---|---|---|
| §58-12(d)(1) | Fine: $400 and/or suspension up to 30 days | Appearance REQUIRED |

(2) *Exceptions.* An Owner can permit a person who does not possess a Taxicab Driver's License to drive the vehicle only when all of the following limited circumstances are met:

(i) Before the Off Duty Change Date.

A. The vehicle is being driven to or from the Commission's centralized Taxicab inspection facility or a repair facility;

B. The off-duty light is illuminated;

C. A current Trip Record (written or electronically printed out) is in the Taxicab, indicating the vehicle is "Off-Duty" and why;

D. The rear doors are locked;

E. The person driving the vehicle is licensed to drive a motor vehicle;

F. The person driving the vehicle is not a person whose Taxicab Driver's License is suspended or revoked.

(ii) After the Off Duty Change Date

A. The vehicle is being driven to or from the Commission's centralized Taxicab inspection facility or a repair facility;

B. The driver has entered the appropriate off duty code in T-PEP;

C. A current Trip Record (written or electronically printed out) is in the Taxicab, indicating the vehicle is "Off-Duty" and why;

D. The rear doors are locked;

E. The person driving the vehicle is licensed to drive a motor vehicle;

F. The person driving the vehicle is not a person whose Taxicab Driver's License is suspended or revoked.

| | | |
|---|---|---|
| §58-12(d)(2) | Fine: $400 and/or suspension up to 30 days | Appearance REQUIRED |

**§58-13 Compliance with Laws – Insurance Coverage**

(a) *Maintain Insurance Coverage***.**

(1) Taxicab Owners must ensure that all of their Taxicabs are covered by liability insurance in the form of a bond or an insurance policy that fully

complies with the New York State Vehicle and Traffic Law and the New York State Insurance Law.

(2) Owners must maintain all other forms of insurance required by law.

| | | |
|---|---|---|
| §58-13(a) | Fine: $150-$350 and/or suspension up to 30 days | Appearance REQUIRED |

(b) *Submit Proof of Insurance.* Every year in which an Owner files an application to renew the License of one or more Taxicabs, Owner must, at that time, provide the Commission with the name and address of the Owner's insurance carrier and the policy numbers for each of Owner's Taxicabs, along with proof of coverage.

| | | |
|---|---|---|
| §58-13(b) | Fine: $100 | Appearance REQUIRED |

(c) *Notification of Changes in Insurance Coverage*. An Owner must notify the Commission in writing within 72 hours of any of the following:

(1) Receipt of notice that Owner's required liability insurance has been cancelled;

(2) A change of insurance carrier;

(3) A change in the policy number of Owner's liability insurance.

| | | |
|---|---|---|
| §58-13(c) | Fine: $100 | Appearance NOT REQUIRED |

(d) *Coverage Requirements***.**

(1) All Taxicab Owners must, for each of Owner's Taxicabs, maintain liability coverage through an insurance policy or a bond in amounts not less than the following:

(i) $200,000 per person, payable for those expenses specified in paragraphs 1, 2 and 3 of subdivision "a" of §5102 of the New York State Insurance Law

(ii) $100,000 minimum liability and not less than $300,000 maximum liability for bodily injury or death, as these terms are described and defined in §370(1) of the Vehicle and Traffic Law.

| | | |
|---|---|---|
| §58-13(d)(1) | Fine: $350 and suspension until compliance | Appearance NOT REQUIRED |

(2) A Taxicab Fleet or Minifleet as well as an Independent Owner operating more than one shift daily must maintain double shift insurance coverage.

| | | |
|---|---|---|
| §58-13(d)(2) | Fine: $50-$350 and/or suspension up to 30 days | Appearance REQUIRED |

(e) *Report of Accidents.*

(1) *Report to Insurance Carrier.* Any accident involving one (or more) of Owner's Taxicabs that is required to be reported to the insurance carrier must be immediately reported to the carrier by the Owner, in writing.

| | | |
|---|---|---|
| §58-13(e)(1) | Fine: $500-$1,000 | Appearance REQUIRED |

(2) *Report to Commission.*

(i) An Owner must immediately report to the Commission in writing all accidents that are required to be reported to the Department of Motor Vehicles (as required by §605 of the Vehicle and Traffic Law) that involve any of Owner's Taxicabs.

(ii) An Owner must also provide to the Commission a copy of any legally required report filed with the NYS Department of Motor Vehicles, within 10 days of the date the report is due to be filed with the Department of Motor Vehicles.

| | | |
|---|---|---|
| §58-13(e)(2) | Fine: $150 and $25 for each day of violation thereafter and suspension until compliance | Appearance REQUIRED |

(f) *Surrender Rate Card and Medallion upon Termination of Insurance.* An Owner must either:

(1) Surrender the Taxicab's Rate Card and Medallion to the Commission on or before the termination date of the vehicle's insurance, or

(2) Submit proof of new insurance effective on the date of termination of the old policy.

| | | |
|---|---|---|
| §58-13(f) | Fine: $50 | Appearance NOT REQUIRED |

## §58-14 Compliance With Laws – Workers' Compensation

(a) *Compliance with Law*. An Owner must comply with all provisions of the New York State Workers' Compensation Law and regulations with respect to coverage and benefits to eligible persons.

| | | |
|---|---|---|
| §58-14(a) | Fine: $25 for each day in violation | Appearance REQUIRED |

(b) *File Certificate of Coverage with the Commission.* An Owner must maintain on file with the Commission a current Certificate of Workers' Compensation Coverage, or a Valid exemption.

| | | |
|---|---|---|
| §58-14(b) | Fine: $200 | Appearance NOT REQUIRED |

(c) *Designate the Commission to Receive Notices.* An Owner must designate the Commission as a certificate holder to receive all notices concerning the Workers' Compensation policy.

| | | |
|---|---|---|
| §58-14(c) | Fine: $200 | Appearance NOT REQUIRED |

(d) *Provide Driver with Proof of Benefits Ending.* When a Driver who is receiving Workers Compensation benefits has recovered and is ready to return to work, an Owner must:

(1) File a notice with the Workers' Compensation Board to end the disbursement of benefits due to the worker's recovery; and

(2) Provide the Driver with documentation that benefits have ceased in order for the Commission to return the Driver's License.

| | | |
|---|---|---|
| §58-14(d) | Fine: $100-$250 | Appearance REQUIRED |

## §58-15 Compliance with Law – Personal Conduct

(a) *Bribery*.

(1) *Actual Bribery Attempt***.** An Owner must not bribe or attempt to bribe or offer any gratuity whatsoever to any employee, representative or member of the Commission in return for favorable or preferential treatment.

| | | |
|---|---|---|
| §58-15(a)(1) | Fine: Up to $10,000 per Medallion implicated in the violation plus | Appearance REQUIRED |

| | | |
|---|---|---|
| | mandatory divestiture of any and all Taxicab Licenses held by the Owner, and any held by a director, officer or stockholder of the Owner. | |

(2) *Appearance of Bribery*. An Owner must not offer or give any gift or gratuity or any other thing of value to any employee, representative or member of the Commission, or any public servant or dispatcher employed at a public transportation facility.

| | | |
|---|---|---|
| §58-15(a)(2) | Fine: $10,000 plus revocation | Appearance: N/A |

(3) *Failure to Report Bribery*. An Owner must immediately report to the Commission and the NYC Department of Investigation any request or demand for a gift, gratuity or thing of value by any employee, representative or member of the Commission or any other public servant or dispatcher employed at a public transportation facility or authorized group-ride taxi line.

| | | |
|---|---|---|
| §58-15(a)(3) | Fine: $1,000 and/or suspension up to 30 days or revocation. | Appearance REQUIRED |

(4) *Failure to Remove Cash*. When the Taxicab is in Owner's possession, Owner must remove all currency from a Taxicab's interior prior to its inspection by any Commission personnel.

| | | |
|---|---|---|
| §58-15(a)(4) | Fine: $50 | Appearance NOT REQUIRED |

(b) *Fraud, Theft.* While performing the duties and responsibilities of a Licensee, an Owner must not commit or attempt to commit, alone or in concert with another, any act of fraud, misrepresentation or theft.

| | | |
|---|---|---|
| §58-15(b) | Fine: $350-$1,000 and suspension up to 60- days or revocation | Appearance REQUIRED |

(c) *Willful Acts of Omission.* While performing the duties and responsibilities of a Licensee, an Owner must not deliberately fail to perform, alone or with another, any act where this failure is against the best interests of the public, although not specifically mentioned in these Rules.

| | | |
|---|---|---|
| §58-15(c) | Fine: $150-$350 and/or Suspension up to 30 days or revocation. | Appearance REQUIRED |

(d) *Willful Acts of Commission.* While performing the duties and responsibilities of a Licensee, an Owner must not deliberately perform or attempt to perform, alone or

with another, any act that is against the best interests of the public, although not specifically mentioned in these Rules.

| | | |
|---|---|---|
| §58-15(d) | Fine: $150-$350 and Suspension up to 30 days or revocation. | Appearance REQUIRED |

(e) *Threats, Harassment, Abuse.* While performing the duties and responsibilities of a Licensee, an Owner must not threaten, harass or abuse any person.

| | | |
|---|---|---|
| §58-15(e) | Fine: $350-$1,000 and/or suspension up to 30 days or revocation | Appearance REQUIRED |

(f) *Use or Threat of Physical Force.* While performing the duties and responsibilities of a Licensee, an Owner must not use any physical force against any person.

| | | |
|---|---|---|
| §58-15(f) | Fine: $500-$1,500 and/or suspension up to 60 days or revocation | Appearance REQUIRED |

(g) *Reporting of Criminal Conviction.*

(1) A Licensee must immediately notify the Commission of any criminal conviction of the Taxicab Owner, individually or, if the Licensee is a Business Entity, of any Business Entity Person.

(2) The notice must be in writing and must be accompanied by a certified copy of the certificate of disposition issued by the clerk of the court explaining what happened as a result of the conviction.

| | | |
|---|---|---|
| §58-15(g) | Fine: $50-$250 | Appearance REQUIRED |

(h) *Cooperate with Law Enforcement.* A Licensee must cooperate with all law enforcement officers, authorized representatives of the Commission and the NYC Department of Investigation. Cooperation includes, but is not limited to, responding to a request for Licensee's name, Licensee's Medallion numbers, Rate Cards, Trip Records, and any other documents required to be maintained by the Taxicab Owner.

| | | |
|---|---|---|
| §58-15(h) | Fine: $50-$350 | Appearance REQUIRED |

(i) *Cooperate with the Commission*

(1) An Owner must promptly answer all questions and comply with all communications, directives and summonses from the Commission or its representatives and the NYC Department of Investigation or its representatives.

| | | |
|---|---|---|
| §58-15(i)(1) | Fine: $300 and Summary Suspension until compliance | Appearance REQUIRED |

(2) An Owner must respond to any contact from the Commission within 48 hours, seven days a week.

| | | |
|---|---|---|
| §58-15(i)(2) | Fine: $500 | Appearance NOT REQUIRED |

(j) *Facilitation of Sex Trafficking with a Vehicle.* An Owner must not Facilitate Sex Trafficking with a Vehicle.

| | | |
|---|---|---|
| 58-15(j) | Fine: $10,000 and revocation. | Appearance NOT REQUIRED |

## §58-16 Compliance with Law – Miscellaneous

(a) *Compliance with Commission Rules and Regulations, Generally and Specifically.*

(1) An Owner must comply with the Commission's Taxicab specifications, the Marking Specifications for Taxicabs, all pertinent provisions of the Administrative Code and other laws, rules or regulations governing Taxicab Owners.

| | | |
|---|---|---|
| §58-16(a)(1) | Fine: $200 if plead guilty before a hearing; $300 if found guilty following a hearing. | Appearance NOT REQUIRED |

(2) *Commercial Advertising and Commercial Sponsorships on the Back of Taximeter Receipts.*

(i) Commercial advertising and commercial sponsorships may be printed on the back of receipts produced by a taximeter.

(ii) Any such advertising and sponsorships appearing on a receipt must comply with the commercial advertising and commercial sponsorship standards that apply to content on the Passenger Information Monitor of a Taxicab Technology System as set forth in §75-25(d)(4) of these Rules.

(iii) Any such advertising and sponsorships appearing on a receipt must not interfere with the readability of the fare information on the face of the receipt.

| | | |
|---|---|---|
| §58-16(a)(2)(ii) and (iii) | Fine: $200 if plead guilty before a hearing; $300 if found guilty following a hearing. | Appearance NOT REQUIRED |

(b) *Compliance with Accessible Taxicab Medallion Rules.*

(1) An Owner of an Accessible Taxicab Medallion must comply with Chapter 53 of these Rules. An Owner of a Taxicab hacked up as an Accessible Taxicab (even if the Medallion is not an Accessible Taxicab Medallion) must also comply with Chapter 53 of these Rules.

| | | |
|---|---|---|
| §58-16(b)(1) | Fine: Chapter 53 penalties apply | |

(2) An Owner of an Accessible Taxicab (whether or not the Owner's Medallion is an Accessible Taxicab Medallion) must ensure that Drivers of an Owner's Accessible Taxicab comply with Chapter 53 and

(i) Maintain contact with the Accessible Taxi Dispatcher and

(ii) Accept dispatches from the Accessible Taxi Dispatcher to provide trips to Passengers in Wheelchairs.

| | | |
|---|---|---|
| §58-16(b)(2) | Fine: Chapter 53 penalties apply | |

(3) *Dispatch Fee.*

(i) An Owner of an Accessible Taxicab (whether or not the Owner's Medallion is an Accessible Taxicab Medallion) must pay to each Driver of the Taxicab, in cash, on a weekly basis, an amount equal to the sum of all Dispatch Fees earned by each Driver and paid by the Accessible Taxi Dispatcher on behalf of each Driver.

(ii) An Owner must provide to each Driver an itemized receipt for all Dispatch Fees earned and paid.

(iii) An Owner is not permitted to make any deductions from Dispatch Fees.

| | | |
|---|---|---|
| §58-16(b)(3) | Fine: $500 and suspension until compliance | Appearance REQUIRED |

(c) *No False Statements*.

(1) An Owner must not file with the Commission any statement required under the Special Requirements for Business Entities provision (§58-05(e) that the Owner knows or should know to be false, misleading, deceptive or materially incomplete.

(2) An Owner must not file with the Commission any statement required under the Financial Disclosure provision (§58-04(f)) that the Owner

knows or should know to be false, misleading, deceptive or materially incomplete.

| | | |
|---|---|---|
| §58-16(c) (1) and (2) | Fine: Up to $10,000 per Medallion implicated in the violation and/or mandatory divestiture of any and all interests in any Taxicab Licenses held by the Owner, shareholder, officer, director or partner in violation | Appearance REQUIRED |

(d) *No Unlawful Purpose*

(1) An Owner must not use or permit any other person to use Owner's Taxicab, garage or office of record for any unlawful purpose.

| | | |
|---|---|---|
| §58-16(d)(1) | Fine: $350 – 1,000 and/or suspension up to 30 days or revocation | Appearance REQUIRED |

(2) An Owner must not conceal any evidence of a crime connected with Owner's Taxicab, garage or office of record.

| | | |
|---|---|---|
| §58-16(d)(2) | Fine: $350 – 1,000 and/or suspension up to 30 days or revocation | Appearance REQUIRED |

(3) An Owner must report immediately to the police any attempt to use Owner's Taxicab to commit a crime or to escape from the scene of a crime.

| | | |
|---|---|---|
| §58-16(d)(3) | Fine: $100 - $350 and/or suspension up to 30 days | Appearance REQUIRED |

(e) *No False Credentials*

(1) An Owner must not attempt to avoid inspection of a Licensed vehicle by using false credentials to disguise one vehicle as another or by any other means contrary to law or regulation of the Commission.

| | | |
|---|---|---|
| §58-16(e)(1) | Fine: Up to $10,000 per Medallion implicated in the violation plus mandatory divestiture of any and all Taxicab Licenses held by the Owner, and any held by a director, officer or stockholder of the Owner | Appearance REQUIRED |

(2) An Owner must not operate or present for inspection a vehicle in which the Vehicle Identification Number has been loosened and reattached, or switched from another vehicle or otherwise altered in a manner not in compliance with Article 17 of the New York State Vehicle and Traffic Law.

| | | |
|---|---|---|
| §58-16(e)(2) | Fine: Mandatory divestiture of any and all Taxicab | Appearance REQUIRED |

| | | |
|---|---|---|
| | Licenses held by the Owner, and any held by a director, officer or stockholder of the Owner, plus a fine of up to $10,000 per Medallion implicated in the violation | |

(3) An Owner must not present documents to the Commission that falsely indicate compliance with liability insurance and/or Workers' Compensation insurance requirements.

| | |
|---|---|
| §58-16(e)(3) | Fine: Mandatory divestiture of any and all Taxicab Licenses held by the Owner, and any held by a director, officer or stockholder of the Owner, plus a fine of up to $10,000 per Medallion implicated in the violation |

(f) *Taxi Accessibility Fee*.

(1) An Owner must pay the Taxi Accessibility Fee for each of the Owner's Medallions as required by the Accessible Taxi Dispatcher.

(2) The Owner must pay the Taxi Accessibility Fee when required to do so by the Accessible Taxi Dispatcher. If the Taxi Accessibility Fee is not paid by the time required by the Accessible Taxi Dispatcher, the Owner will be liable for penalties for non-payment.

(3) If an Owner does not pay the Taxi Accessibility Fee by the time required, non-payment will be grounds for suspension or revocation 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) An Owner must comply with all requirements of the Accessible Taxi Dispatcher relating to payment of the Taxi Accessibility Fee. An Owner must register with the Accessible Taxi Dispatcher for purposes of billing the Taxi Accessibility Fee and must keep all registration and billing information current.

| | | |
|---|---|---|
| §58-16(f) | Fine: $1000 and suspension until compliance | Appearance Required |

## §58-17 Operations – Business Premises

(a) *Maintenance of Physical Location.* The following entities must maintain a business premise in a location zoned for the operation of a business:

(1) Any Agent;

(2) Any Owner who leases or otherwise Dispatches one or more Taxicabs for return at the end of a shift;

(3) Any Owner or Business Entity that has a Substantial Interest in Taxicab Medallions.

(b) *Requirements of Premises.* The Business Premises must have the following:

(1) Sufficient off-street space at or near the premises to store the lesser of:

(i) Twenty-five (25) vehicles, or

(ii) Fifty percent (50%) of the Taxicabs leased or otherwise Dispatched on a daily or a shift basis, plus five percent (5%) of the Taxicabs leased for longer than one day.

| | | |
|---|---|---|
| §58-17(b)(1) | Suspension until condition is corrected | Appearance REQUIRED |

(2) Sufficient office space to conduct business, where all records required by the Commission, including Trip Records and Driver records, can be kept.

| | | |
|---|---|---|
| §58-17(b)(2) | Suspension until condition is corrected | Appearance REQUIRED |

(3) "Driver's Bill of Rights" sign must be posted in a form and format prescribed by the Commission.

(i) The Commission will post the proper form and format on its Web site.

(ii) The "Driver's Bill of Rights" sign must be:

- conspicuously posted, such as next to a payment window or other place where drivers regularly conduct business within the Business Premises, and,
- free of other signage in the immediate area.

| | | |
|---|---|---|
| §58-17(b)(3) | Fine: $250 if plead guilty before a hearing; $500 if found guilty following a hearing. | Appearance NOT REQUIRED |

(c) *Hours of Operation.* Owner must keep regular business hours, including the hours of 9:00 a.m. through 5:00 p.m. for every weekday.

| | | |
|---|---|---|
| §58-17(c) | Fine: $100 | Appearance NOT REQUIRED |

(d) *Contact Information.* Owner must maintain the current address and telephone number of the business premises with the Commission.

| | | |
|---|---|---|
| §58-17(d) | Fine: $100 | Appearance NOT REQUIRED |

## §58-18 Operations – Management Oversight

(a) *Direct Owner Operations.* The Commission will hold the Owner of every Taxicab accountable for hands-on operation of the Taxicabs and expects the Owner to be personally responsible for :

(1) Physically observing the Taxicabs

(2) Overseeing compliance with Taxicab inspection requirements

(3) Overseeing compliance with insurance and all other regulatory requirements

(4) Communicating with Drivers (where the Owners vehicles are driven by Drivers other than him/herself).

(b) *Indirect Owner Operations.*

(1) Notwithstanding the provisions in §58-18(a) above, an Owner can authorize employees or a Licensed Agent to perform any or all such functions.

(2) The use of an employee or Agent will not relieve an Owner of any obligation under these rules.

(3) An Owner remains fully accountable for all violations of Commission rules, committed by any employee or Agent in the operation of Owner's Medallion(s).

(c) *Owner's Use of Agents*

(1) *Designation of Agent.*

(i) An Owner can designate an Agent to act on the Owner's behalf to operate a Licensed Taxicab and perform all required functions.

(ii) The Agent must be licensed by the Commission in under with Chapter 63 of these Rules.

(iii) The designation will remain in effect until:

A. The Owner revokes the designation and notifies the Commission, or

B. The Commission suspends or revokes the Agent's License and notifies the Owner.

| | | |
|---|---|---|
| §58-18(c)(1) | Fine: $500 – 1,000 and/or suspension up to 30 days | Appearance REQUIRED |

(2) *File Designation with the Commission.* Prior to the use of an Agent, an Owner must file a designation of the Agent with the Commission.

| | | |
|---|---|---|
| §58-18(c)(2) | Fine: $200 | Appearance NOT REQUIRED |

(3) *Owner Can Use Only One Agent.* An Owner must not designate or use more than one Agent regardless of the number of Medallions in which Owner has an interest.

| | | |
|---|---|---|
| §58-18(c)(3) | Fine: $200 | Appearance NOT REQUIRED |

(d) *Limitations on Owner's Use of an Agent*.

(1) *Agent's Personal Oversight Required.* An Owner can designate or use an Agent, only if the Agent operates the Taxicab(s) through:

(i) Personal observation of the vehicle(s),

(ii) Personal oversight of compliance with inspection, insurance and all other regulatory requirements, and

(iii) Personal communications with Drivers.

| | | |
|---|---|---|
| §58-18(d)(1) | Fine: $200 | Appearance NOT REQUIRED |

(2) *Agent Must Not Assign Responsibilities.* An Owner can allow an Agent to use employees to assist in fulfilling these functions, however the Owner must NOT permit the Agent to delegate or assign its responsibilities to another party; Owner's designation of an Agent will be ineffective if the Agent delegates to another party.

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| §58-18(d)(2) | Fine: $200 | Appearance NOT REQUIRED |

(3) *Must Maintain Business Premises.* The Owner must ensure that the Agent maintains business premises meeting the requirements set forth in both §58-17 and §63-10 of these Rules.

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| §58-18(d)(3) | Fine: $200 | Appearance NOT REQUIRED |

(4) *Owner Must Not Use Unlicensed Agent.*

(i) An Owner must not designate or continue to use an Agent if the Commission has notified the Owner that the specified Agent's License is suspended or revoked.

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| §58-18(d)(4)(i) | Fine: $500 – 1,000 and/or suspension up to 30 days | Appearance REQUIRED |

(ii) The Commission will issue a directive to Owners to discontinue use of a specified Agent (a Stop-Use Directive) by mailing notification to the Owner's personal address.

(iii) The Commission will maintain a list of all Agents whose Licenses are currently suspended or revoked. This information is available for inspection by the public, and the Commission strongly suggests that Owners review these lists before selecting an Agent.

(iv) If an Owner seeks to designate an Agent who is the subject of a current Stop-Use Directive, the Commission will reject the designation and inform the Owner that the Agent's License is suspended or revoked.

(5) *Provisions of this Section Cannot be Waived by Contract.*

(i) No contract or other agreement between an Owner and an Agent will include a provision intended to supersede or impair the effectiveness, in whole or in part, of the provisions of this §58-18(d).

(ii) No provision in a contract or other agreement between an Owner and an Agent that attempts to impair the effectiveness of this section will be enforceable.

## §58-19 RESERVED [Operations – Service Requirements (Passengers)]

## §58-20 Operations – Responsibilities with Respect to Drivers

(a) *Hours of Operation*

(1) *Double Shift Requirement***.** A Fleet or Minifleet must operate each of its operating Taxicabs for a minimum of two nine-hour shifts per day (for a total operating time of 18 hours per day) including weekends and holidays.

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| §58-20(a)(1) | Fine: $75 | Appearance NOT REQUIRED |

(2) *Minimum Hours of Operation for Independent Owner before July 1, 2011*.

(i) An Independent Medallion Owner must operate his/her Taxicab a minimum of 210 nine-hour shifts each calendar year (for a total operating time of 1,890 hours per year).

(ii) *Owner-Must-Drive Rule*.

A. If the Owner acquired the Independent Medallion on or after January 7, 1990, the Owner must personally drive the Taxicab the required minimum number of hours.

B. If the Owner is a Business Entity this requirement must be fulfilled by:

1. One shareholder if the Owner is a corporation.
2. One partner if the Owner is a partnership.
3. One member if the Owner is a limited liability company.

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| §58-20(a)(2)(ii) | Fine: $100–$350 and/or suspension up to 30 days | Appearance REQUIRED |

(iii) Upon written request by an Owner, the Commission can waive or modify the requirements of the Owner-Must-Drive rule, for a limited time, for good cause shown.

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| §58-20(a)(2)(iii) | Fine: $100–$350 and/or suspension up to 30 days | Appearance REQUIRED |

(3) *Minimum Hours of Operation for Independent Owner beginning July 1, 2011*.

(i) *General Rule.* From January 1, 2012, an Independent Medallion Owner who acquired the Independent Medallion on or after January 7, 1990 must drive his or her Taxicab a minimum of 180 nine-hour shifts each calendar year (for a total operating time of 1,620 hours per year).

A. *Enforcement*. Penalties for failing to comply with the requirement will be determined by the number of required shifts not driven.

B. *Transition Provisions*. During calendar year 2011, an Independent Medallion Owner must drive his/her Taxicab a minimum 195 nine-hour shifts (for a total operating time of 1755 hours).

(ii) *Who Must Drive.* If the Owner is a Business Entity, the requirement must be filled by one or more 10% Business Entity Persons. One 10% Business Entity Person can provide the complete requirement or up to four 10% Business Entity Persons can divide up the requirement.

A. *Limited Exception as to Business Entity Persons.* For two years, from July 1, 2011 to June 30, 2013, a Business Entity Person who is not a 10% Business Entity Person can fulfill the Owner-Must-Drive requirement.

B. After July 1, 2013, the service requirement must be filled by one or more 10% Business Entity Persons.

(iii) *Special Rule for Individuals only.* An Independent Medallion Owner must drive his/her Taxicab a minimum of 150 seven-hour shifts each calendar year if he/she meets all of the following:

A. He/she is the sole Owner of the Independent Medallion. This exception is not available if an Independent Medallion is owned by a Business Entity with more than one Business Entity Person.

B. He/she is at least 62 years of age at the beginning of the calendar year.

C. He/she has owned the Independent Medallion at least 10 years prior to turning age 62 and has met the Owner-Must-Drive requirements during that period.

1. The Chairperson will use records generated by the Taxicab Technology System to determine whether an Owner has met the Owner-Must-Drive requirements.

2. For periods before the Taxicab Technology System was operating, the Chairperson will assume that the Owner met the Owner-Must-Drive requirements unless the Commission's licensing or adjudication records show that the requirement was not met.

(iv) *Special Rule for inheriting spouses.* A spouse (including a registered domestic partner) inheriting an interest in an Independent Medallion from the Owner of that Medallion will not be required to meet the Owner-Must-Drive requirement for 180 days following the Owner's death. In order to benefit from this special rule, the inheriting spouse must notify the Commission of

the Owner's death within 120 days, unless this requirement is waived by the Chairperson. This rule does not apply to children or other heirs, and it does not apply to an inheriting spouse's future spouses

A. After 180 days, the inheriting spouse is subject to the same requirement the deceased Owner was subject to that is, no required shifts, 180 nine hour shifts or 150 seven hour shifts.

B. For purposes of determining compliance with the Owner-Must-Drive requirements, those requirements will be pro-rated on a monthly basis in any applicable calendar years to account for the 180 days for which compliance is excused.

Example: An Owner subject to the 150 day driving requirement dies on December 1, 2011. The minimum applicable requirement for calendar year 2011 will be 137 shifts. The minimum applicable requirement for calendar year 2012 will be 87 shifts.

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| §58-20(a)(3) | Fine: For number of **missed** shifts in any calendar year<br>$10,000 if 51 shifts or more missed<br>$7,500 if at least 26 up to 50 shifts missed<br>$6,000 if at least 11 up to 25 shifts missed<br>$1,000 if 1 or more up to 10 shifts missed.<br><br>Commission can also seek revocation if 51 or more shifts missed | Appearance REQUIRED |

(4) *Independent Driver Option: Special Rule for Medallions Leased to Independent Medallion Drivers.*

(i) An Owner does not have to personally drive the minimum number of shifts and hours of operation for an Independent Medallion Owner as set forth in Section 58-20(a)(3)(i) of this Chapter if all of the requirements of this Section 58-20(a)(4) are met.

A. An Owner of an Independent Medallion who acquired the Medallion before July 1, 2011 must own the Medallion for at least two years before being able to be excused from the driving requirement under the Independent Driver Option.

B. An Owner of an Independent Medallion who acquires the Medallion on or after July 1, 2011, must own the Medallion

for at least ten years and must meet the driving requirements of Section 58-20(a)(3) during those ten years before being able to be excused from the driving requirement under the Independent Driver Option.

C. *Driving History*

1. The Chairperson will use records generated by the Taxicab Technology System to determine whether an Owner has met the Owner-Must-Drive requirements.

2. For periods before the Taxicab Technology System was operating, the Chairperson will assume that the Owner met the Owner-Must-Drive requirements unless the Commission's licensing or adjudication records show that the requirement was not met.

(ii) *Service must be provided by Independent Medallion Driver.*

A. An Independent Medallion Driver designated by the Owner must operate the Taxicab at least 180 nine-hour shifts in each calendar year.

B. A Driver is an Independent Medallion Driver if the Driver meets all of the following as to the Owner's Medallion:

1. The Driver drives the Taxicab an average of at least 120 hours per month;

2. The Driver is either

i. the title owner of the Taxicab vehicle or

ii. the lessee of the Taxicab vehicle and the vehicle lease has a conditional purchase agreement for the vehicle; and

3. The Driver is not an Independent Medallion Driver for any other Independent Medallion.

(iii) *Penalty* An Owner who provides the service required by section 58-20(a)(3) by electing to use the Independent Driver Option will pay a penalty each calendar year for failing to provide service personally. The penalty the Owner will pay is $5,000, unless the Owner is 62 or older at the time of election, in which case the penalty is $2,500.

(iv) *Designating the Driver.*

A. The Owner must designate the Independent Medallion Driver who will provide the 180 nine-hour shifts before an Owner can receive the benefit of this section 58-20(a)(4).

B. The Owner must designate the Independent Medallion Driver on a form specified by the Commission. An Owner will designate another Independent Medallion Driver by revoking the prior designation and filing a new designation.

C. Only one designation can be in effect for any Independent Medallion at any time and there can be only one Independent Medallion Driver for any Independent Medallion at any time.

D. An Owner can change the designated Independent Medallion Driver only one time each calendar year.

E. An Owner can designate no more than two Independent Medallion Drivers for any Independent Medallion in any one calendar year.

F. An Owner must immediately report to the Commission when the Owner has terminated or changed a designation or when a Driver ceases to be an Independent Medallion Driver for the Independent Medallion.

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| §58-20(a)(4)(iv)(F) | Fine: $1,000 | Appearance NOT required |

(v) *Electing the Independent Driver Option provided in this Section*

A. An Owner must notify the Commission by no later than November 1 of each year if the Owner elects to use the provisions of this section 58-20(a)(4) to provide service as required by section 58-20(a)(3)(i) in the next calendar year.

B. The Owner must have met the driving requirements of section 58-20(a)(4)(i) in order to be approved to elect the Independent Driver Option.

C. The Owner must use any forms required by the Commission.

D. When providing the Commission with notice that the

Owner elects to use the provisions of this section 58-20(a)(4), the Owner must also provide, at the same time:

1. The designation of the Independent Medallion Driver required in section 58-20(a)(4)(iv)

2. The payment for the $5,000 or $2,500 penalty required in section 58-20(a)(4)(iii).

(vi) *Owner Liable for non-performance.* If the Owner's designated Independent Medallion Drivers fail to drive the minimum 180 nine-hour shifts, the Owner is liable for a violation of section 58-20(a)(3) for that calendar year.

A. The Owner's penalty will be determined by the number of shifts actually driven by the designated Independent Medallion Drivers plus any shifts driven by the Owner.

(vii) *Owner Liable for non-compliance.* If the Owner fails to meet and continue to meet all the requirements of this section 58-20(a)(4) for use of the Independent Driver Option at all times in any calendar year, the Owner is liable for of a violation of section 58-20(a)(3) for that calendar year.

A. The Owner's penalty will be determined by the number of shifts actually driven by the Owner.

(viii) *Exception for Inheriting Spouses.* The inheriting spouse, including the registered domestic partner, of a deceased Owner who, at the time of death, would have otherwise met each of the other requirements set forth in this Section 58-20(a)(4) does not have to personally drive the minimum number of shifts and hours of operation for an Independent Medallion Owner.

A. If a deceased Owner elected to use the Independent Driver Option pursuant to this section 58-20(a)(4), the inheriting spouse may continue to exercise the Independent Driver Option for the remainder of the year in which the deceased Owner so elected .

B. If a deceased Owner met the requirements necessary to use the Independent Driver Option pursuant to this section 54-20(a)(4) but did not elect to use the Independent Driver Option, the inheriting spouse may nonetheless exercise this option for the remainder of the year in which the Owner died.

C. Notwithstanding the other provisions of this Chapter, an inheriting spouse of a deceased Owner may elect to use the Independent Driver Option or renew such election for the following calendar year.

(5) *Waivers*. Upon written request by an Owner, Chairperson can waive or modify the requirements of the Owner-Must-Drive rule.

(i) The Chairperson can grant waivers for up to six months, and can grant extensions of those waivers for up to an additional six months.

(ii) The Chairperson will require an Owner to provide documentation for any requested waiver. Failure to provide required documentation will result in denial of the request for a waiver.

(iii) The Chairperson will grant waivers only for the following reasons and only after considering documentation:

A. Medical reasons.

B. Non-vacation travel for family or business reasons.

C. U.S. military service.

(iv) Waivers will result in a pro-rata reduction in the driving requirement in the calendar years applicable.

Example: A two month waiver will reduce the Owner-Must-Drive service requirement to 150 shifts in the calendar year granted.

(6) *Service Requirement Pro-Rated.* Service requirements will be pro-rated on a monthly basis. The Commission will use pro-ration to determine, for example, the service requirements applicable to a buyer and a seller of an Independent Medallion in a year in which the Medallion is sold.

(7) *Maximum Driving Hours.* An Owner must not require a Driver to operate one or more Taxicabs for more than 12 consecutive hours.

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| §58-20(a)(7) | Fine: $50 | Appearance NOT REQUIRED |

(b) *Authorized Drivers.*

(1) *Driver Categories.* An Owner must not authorize or allow a Driver to operate a Taxicab unless the Rate Card specifies that the Taxicab will be driven by either:

(i) Unspecified Drivers, or

(ii) Named Drivers whose names have been entered on the Rate Card and no named lease Driver is operating beyond the lease expiration date entered on the Rate Card.

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| §58-20(b)(1) | Fine: $75-$150 for the first violation,<br>$150-$300 for a second violation ,<br>$300-$500 for a third violation - within 24 months, and<br>Suspension until compliance | Appearance REQUIRED |

(2) *Driver Authorization Statement.*

(i) An Owner must maintain on file with the Commission a current Driver Authorization Statement, indicating whether the Taxicab will be operated by Named Drivers of record (including the Owner's Business Entity Persons, if applicable) or by "Unspecified Drivers;" the Driver Authorization Statement must include the additional information required below for either Unspecified Drivers or Named Driver Lessees.

(ii) The Commission will enter the Owner's choice on the Rate Card including, when applicable, the Named Drivers of record and the expiration dates of applicable leases.

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| §58-20(b)(2) | Fine: $250–$500 and suspension until compliance | Appearance REQUIRED |

(3) *Driver Authorization Statement for Unspecified Drivers.* If an Owner elects to operate with Unspecified Drivers, the Driver Authorization Statement must be accompanied by a copy of a master lease, employment agreement and/or union contract, together with evidence that the Owner has unnamed driver insurance for the vehicle.

(4) *Driver Authorization Statement for Named Driver Lessees.*

(i) If an Owner elects to lease to Named Drivers, the Owner must file a Driver Authorization Statement for each lessee, before the lessee takes possession of the Taxicab.

(ii) The Owner must file the Driver Authorization Statement with the Commission in person or by power of attorney.

(iii) The Driver Authorization Statement must be signed by both parties and must include, but is not limited to, the following:

A. The date of execution of the lease

B. The term of the lease

C. The names and addresses of the lessor and lessee and their social security or federal tax identification numbers

D. The Medallion number, the license plate number, the vehicle identification number, and the titled Owner of the Taxicab

E. The name and address of the vehicle liability and workers' compensation insurance carriers, the policy numbers and expiration dates

F. The name, address and telephone number of the Owner's Agent, if the Agent arranged or manages the lease

G. The charges to lessee

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| §58-20(b)(4)(i)-(iii) | Fine: $250–$500 and suspension until compliance | Appearance NOT REQUIRED |

(iv) If any lease (or its renewal) listed in the Driver Authorization Statement is terminated for any reason, the Owner must notify the Commission in writing within 48 hours of such termination, unless exempted by the Commission.

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| §58-20(b)(4)(iv) | Fine: $100 | Appearance REQUIRED |

(c) *Wheelchair Passenger Assistance Training.*

(1) *Training Must be Approved by Commission.* The Owner of an Accessible Taxicab must make sure each Driver of such Accessible Taxicab has attended a Commission-approved training course regarding Wheelchair Passenger assistance.

(2) *Requirements of the Course.* Wheelchair Passenger assistance training must be a minimum of three hours and must include the following:

(i) A review of all legal requirements that apply to transportation of Persons with Disabilities;

(ii) Passenger assistance techniques including a review of various disabilities, hands-on demonstrations, disability etiquette, mobility equipment training (including familiarity with lift/ramp operations and various types of wheelchairs), and safety procedures

(iii) Training with an actual person using a wheelchair

(iv) Sensitivity awareness, including customer service and conflict resolution policies.

(3) *Vehicle Owner Must Pay for Training.* The Accessible Taxicab Owner is responsible for paying any fees required to train each of Owner's Drivers.

(4) *Vehicle Owner Responsibility.* The Accessible Taxicab Owner must ensure that each of Owner's Accessible Taxicabs is driven only by a Driver who has completed the Wheelchair Passenger assistance training provided for in this section.

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| §58-20(c) | Fine: $100 if plead guilty before a hearing; $150 if found guilty following a hearing. | Appearance NOT Required |

## §58-21 Leasing a Taxicab or Medallion

(a) An n Owner can lease a Taxicab (or a Medallion-only) to a Licensed Taxicab Driver, or to Licensed Drivers working different shifts or days if the Owner complies with the provision of this section.

(1) Regardless of the terms of the lease, the Owner is responsible for complying with all laws, rules and regulations governing Owners.

(2) An Owner must not authorize or allow a lessee of a Taxicab under sections 58-21(c)(1) or 58-21(c)(2) of these Rules to sublease the Taxicab to another party.

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| §58-21(a) | Fine: $75-$150 for the first violation,<br>$150-$300 for a second violation ,<br>$300-$500 for a third violation within 24 months, and<br>Suspension until compliance | Appearance REQUIRED |

(b) *Service and Maintenance of Leased Taxicab Vehicles.*

(1) Service and maintenance of a leased Taxicab (including the vehicle) under sections 58021(c)(1) and (c)(2) is the responsibility of the Owner/lessor, and the cost of the service and maintenance of the Vehicle cannot be charged to the Driver/lessee.

(2) The lease of a Medallion-only under Section 58-21(c)(3) or a lease under Section 58-21(c)(4) does not include, and does not require, the Medallion Owner/lessor to provide service and maintenance of the vehicle.

(3) A Medallion-only lessor under Section 58-21(c)(3) or a lessor under Section 58-21(c)(4) must not require the lessee to obtain service and maintenance from any particular provider, including, but not limited to, the Medallion Owner or any agent of the Medallion Owner. A Medallion lessor or Agent who provides services or accommodations outside the lease to a leasing driver must keep records of all transactions with that driver and such records must be available for inspection by the Chairperson

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| § 58-21(b) | First violation $500<br>Second and subsequent violations: $1000 and/or suspension of the Medallion for up to 30 days. In addition to the penalty payable to the Commission, the administrative law judge may order the | Appearance REQUIRED |

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| | owner to pay restitution to the driver, equal to the excess that was charged to the driver. | |

(c) *Rate Rules***.**

(1) *Standard Lease Cap Rates.* An Owner of a Taxicab can charge a lease rate to a Driver that is not greater than the following Standard Lease Caps:

(i) The Standard Lease Cap for a Medallion and vehicle for one shift will not exceed:

A. $105, for all 12-hour day shifts

B. $115, for the 12-hour night shift on Sunday, Monday and Tuesday

C. $120, for the 12-hour night shift on Wednesday

D. $129, for the 12-hour night shifts on Thursday, Friday and Saturday

E. $630, for any one-week day shift for one week or longer

F. $737 for any one week night shift for one week or longer.

(ii) Except for a driver who meets all of the following:

(A) the driver pays for the lease on a daily or shift basis and is not required to pay for more than one shift in advance;
(B) the driver is required to return the vehicle to the owner or operator's business premises or other mutually agreed upon location at the conclusion of each shift; and
(C) the driver is not required to pay for any shift for which he provides the owner or operator with timely notice that he will not lease the vehicle, so the owner can lease the vehicle to another daily shift driverNo driver leasing a medallion and vehicle under this paragraph 58-21(c)(1)(i) can be charged more than a total of

A. $630 for six or more day shifts in any seven consecutive day period

B. $737 for six or more evening shifts or combination of day and evening shifts in any seven consecutive day period.

C. A Driver who meets all the requirements of (ii)(A)-(C) can be charged for seven shifts if the Driver leases seven shifts.

(iii) The lease of a medallion and vehicle under this paragraph 58-21(c)(1) includes service and maintenance. Service and maintenance of the vehicle is the responsibility of the lessor and the lessor and his or her Agent must not charge the lessee for service and maintenance costs for the vehicle.

(iv) The lessee of a medallion and vehicle under this paragraph 58-21(c)(1) is not responsible for payment of any Commercial Motor Vehicle Tax.

(v) For a driver with a weekly lease under 58-21(c)(1)(i)(E) or 58-21(c)(1)(i)(F), if the vehicle is unavailable for use for any reason that is not the lessee's responsibility during any part of any week, the payment of the Lease Cap must be pro-rated.

(vi) For a driver with a weekly lease under 58-21(c)(1)(i)(E) or 58-21(c)(1)(i)(F), the lease includes costs for collision and other damage coverage, including repairs of physical damage to the vehicle, except that it shall not be considered an overcharge prohibited under these Rules if the Owner of a Taxicab or his or her Agent and the driver agree in writing that the driver will make payments for damage to the vehicle caused by the driver's negligence and such agreement will remain in effect for only so long as the driver is leasing a medallion from the Owner or the Agent, provided that the lease contains language informing the driver that he or she will be responsible for physical damage to the vehicle caused by his or her negligence if such damage was in fact caused by the negligence of the driver. If the Owner receives compensation for damages to the vehicle incurred from an entity other than the driver, any amount previously paid by the driver as compensation for damages, must be refunded to the driver.
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(2) *Cost Adjustments for the Lease of Hybrid Electric and Diesel-Fueled Vehicles*.

(i) The Standard Lease Cap for Hybrid Electric Taxicabs and Diesel-Fueled Taxicabs that are hacked-up under §§67-05 of these Rules or other applicable provisions of these Rules and that meet the

requirements of Section 19-533 of the Administrative Code are raised by $3 per shift ($21 per week), so that the lease amount for one shift must not now exceed:

A. $108 for all 12-hour day shifts

B. $118, for the 12-hour night shift on Sunday, Monday and Tuesday

C. $123, for the 12-hour night shift on Wednesday

D. $132, for the 12-hour night shifts on Thursday, Friday and Saturday

E. $648, for any one-week day shift for one week or longer

F. $755 for any one week night shift for one week or longer.

(ii) Except for a driver who meets all of the following:

(A) the driver pays for the lease on a daily or shift basis and is not required to pay for more than one shift in advance;

(B) the driver is required to return the vehicle to the owner or operator's business premises or other mutually agreed upon location at the conclusion of each shift; and

(C) the driver is not required to pay for any shift for which he provides the owner or operator with timely notice that he will not lease the vehicle, so the owner can lease the vehicle to another daily shift driver, no driver leasing a medallion and vehicle under this paragraph 58-21(c)(2) can be charged more than a total of

A. $648 for six or more day shifts in any seven consecutive day period

B. $755 for six or more evening shifts or combination of day and evening shifts in any seven consecutive day period.

C. A Driver who meets all the requirements of (ii)(A)-(C) can be charged for seven shifts if the Driver leases seven shifts.

(iii) The lease of a medallion and vehicle under this paragraph 58-21(c)(2) includes service and maintenance. Service and maintenance of the vehicle is the responsibility of the lessor and

the lessor and his or her Agent must not charge the lessee for service and maintenance costs for the vehicle.

(iv) The lessee of a medallion and vehicle under this paragraph 58-21(c)(2) is not responsible for payment of any Commercial Motor Vehicle Tax.

(v) For a driver with a weekly lease under 58-21(c)(2)(i)(E) or 58-21(c)(2)(i)(F), if the vehicle is unavailable for use for any reason that is not the lessee's responsibility during any part of any week, the payment of the Lease Cap must be pro-rated.

(vi) For a driver with a weekly lease under 58-21(c)(2)(i)(E) or 58-21(c)(2)(i)(F), the lease includes costs for collision and other damage coverage, including repairs of physical damage to the vehicle, except that it shall not be considered an overcharge prohibited under these Rules if the Owner of a Taxicab or his or her Agent and the driver agree in writing that the driver will make payments for damage to the vehicle caused by the driver's negligence and such agreement will remain in effect for only so long as the driver is leasing a medallion from the Owner or the Agent, provided that the lease contains language informing the driver that he or she will be responsible for physical damage to the vehicle caused by his or her negligence if such damage was in fact caused by the negligence of the driver. If the Owner receives compensation for damages to the vehicle incurred from an entity other than the driver, any amount previously paid by the driver as compensation for damages, must be refunded to the driver.

(3) *The Standard Lease Cap*:

(i) For a *Medallion-only* Hybrid Taxicab, Hacked-up under §§67-05 or other applicable provisions of these Rules that meet the requirements of Section 19-533 of the Administrative Code is $994 weekly.

(ii) For all other *Medallion-only* Taxicabs, (including Accessible Taxicabs), is $952.

(iii) For all *Medallion-only* Taxicabs (including Accessible Taxicabs) with vehicles that are placed into service on or after the OTV Activation Date and which vehicles are either Official Taxicab Vehicles or Accessible Taxicabs, is $1114 weekly.

(iv) A medallion lessor or Agent of a lessor must not require a medallion lessee to obtain service, repairs or maintenance of the vehicle from any particular provider, including, but not limited to, a lessor or an Agent of a lessor.

(v) A lease, and payment of the Lease Cap under this paragraph includes (and all of the following must be provided to the lessee):

A. Use of the medallion;

B. All applicable TLC fees except for TLC vehicle inspection fees (but the lessor is not required to provide vehicle registration or payment of the Commercial Motor Vehicle Tax);

C. Insurance required by Section 58-13;

D. Credit card fees or charges;

E. Up to 3 drivers on a lease at the request of the drivers, which request cannot be unreasonably denied.

A lessor must not accept any other payment from a lessee for the purchase or lease of a vehicle. A Medallion lessor or Agent can agree with a driver to provide services or accommodations on an arms-length basis outside the lease. A Medallion lessor or Agent who provides services or accommodations outside the lease to a leasing driver must keep records of all transactions with that driver and such records must be available for inspection by the Chairperson. A Medallion lessor may not enter into a lease with any person or entity under this paragraph if such Medallion lessor holds more than 2% of shares in a publicly held corporation that sells, leases or finances vehicles and has accepted a payment from such person or entity related to the sale, lease or finance of the Vehicle of such person or entity.

(vi) The gasoline surcharge option provided in paragraph 58-21(c)(6) is not available to Owners/lessors leasing a Medallion-only under this Section 58-21(c)(3)

(4) *Standard Medallion Lease Cap including Long Term Vehicle Lease/Conditional Purchase*

(i) A Lease is covered by this paragraph 58-21(c)(4) if it includes all of the following:

A. The lease of a Medallion

B. The conditional purchase agreement for a vehicle; and

C. The vehicle is being conditionally sold to the driver/lessee by any of

1. The Owner of the Medallion or any employee of the Owner, and/or
2. The Owner's Agent or any employee of the Agent, and/or
3. Any Business Entity of which a Business Entity Person of the Owner or Agent, or an employee of Owner or Agent, is a Business Entity Person
4. For purposes of this paragraph, an individual, business entity or business entity person covered by subitems one through three of this item C who is leasing a Medallion to a lessee and who holds more than 2% of the shares in a publicly held corporation that sells, leases or finances vehicles and has accepted a payment from such lessee related to the sale, lease or finance of such lessee's vehicle is deemed to be a party to the vehicle financing arrangement. Accordingly, the total amount charged to the lessee for both the lease of the Medallion and for the sale, lease, or financing of the vehicle cannot exceed the amount of the Standard Lease Cap set forth in subparagraph (ii) of this paragraph.

(ii) The Standard Lease Cap under this section for a Taxicab Medallion and vehicle is

A. $1,269 weekly if the vehicle complies with the requirements of Section 67-05 of these Rules or other applicable provisions of these Rules and meets the requirements of Section 19-533 of the Administrative Code; or

B. $1,227 weekly if the vehicle complies with the requirements of Sections 67-05.1 or 67-05.2 of these Rules

C. $1389 weekly for vehicles placed into service on or after the OTV Activation Date if such vehicles are either Official Taxicab Vehicles or Accessible Taxicabs

D. This Standard Lease Cap can be charged for a lease related to any one vehicle for up to 156 weeks, however it cannot be charged at any time after title to the vehicle passes (or could have passed) to the lessee.

(iii) Title to the leased vehicle must pass to one or more of the lessees, if the lessees request, after 156 weeks, or after all vehicle financing costs have been paid, whichever is sooner. The conditional seller is not required to transfer title if the lessees have failed to pay all payments due for the vehicle purchase and lease until all such payments have been made.

(iv) The lease of a Medallion together with a vehicle under this paragraph 58-21(c)(4) includes within the payment to the lessor the amount due by the Vehicle owner for the Commercial Motor Vehicle Tax.

(v) A lease, and payment of the Lease Cap under this section includes (and the following must be provided to the lessee, except items G and H are optional):

A. Use of the medallion;

B. All applicable TLC and NYS DMV fees except for TLC vehicle inspection fees;

C. Insurance required by Section 58-13;

D. Credit card fees or charges;

E. All Vehicle purchase and/or finance costs and vehicle sales tax and related costs;

F. Up to 3 drivers on a lease at the request of the drivers, which request cannot be unreasonably denied.

G. A Medallion lessor or Agent can offer coverage for collisions and physical damage to the vehicle to the lessee/purchasers in an amount not to exceed $50 per week, but cannot require that the lessee/purchasers purchase such coverage.

i. The Medallion lessor or Agent can require that a deductible of up to $250 per incident be met before covering or reimbursing costs identified in item G.

ii. For any incident for which a driver has paid a deductible amount authorized under this subsection, if the Medallion lessor or Agent of the taxicab which is the subject of the damages claim receives insurance claim proceeds, litigation proceeds or other proceeds to cover the cost of repair, the lessor must reimburse the driver for the amount previously remitted as a deductible.

iii. A Medallion lessor or Agent can agree with a driver to provide services or accommodations on an arms-length basis outside the lease. A Medallion lessor or Agent who provides services or accommodations outside the lease to a leasing driver must keep records of all transactions with that driver and such records must be available for inspection by the Chairperson

(vi) The gasoline surcharge option provided in Section 58-21(c)(6) is not available to Owners/lessors leasing a Taxicab and vehicle under this Section 58-21(c)(4).

(vii) If the vehicle is unavailable for use for any reason that is not the lessee's responsibility during any part of any week, the lessees payment of the Lease Cap must be pro-rated. As an example, a vehicle is not unavailable for purposes of this rule if the vehicle is undergoing required maintenance, undergoing repairs as a result of not being properly maintained, or required to appear for inspection at the TLC.

(5) *Limits on Additional Charges.* In addition to a lease amount no greater than the Standard Lease Cap (as adjusted), an Owner/lessor (as well as any agent or employee of the Owner/lessor) must not request of or accept from any lessee any money or other thing of value, except for the following (this means an Owner/lessor must not charge any tip, tax, surcharge or other fee of any kind above the Standard Lease Cap (as adjusted):

(i) A gas surcharge of $21 per shift (or $126 for drivers leasing under 58-21(c)(1)(i) E or F, and 58-21(c)(2)(i) E or F (with such surcharge to be adjusted as provided below) provided that the Owner/lessor or his or her agent is providing gasoline to the lessee as provided in section 58-21(c)(6);

(ii) A security deposit and deductions from the security deposit no greater than allowed under subdivision (e) below;

(iii) The discount toll amount for use of the Owner's *EZ-Pass*® as described in §58-27 of this Chapter;

(iv) *Late Charges*

A. For any vehicle leased pursuant to 58-21(c)(1) or 58-21(c)(2) a late charge not to exceed $25 for any shift for the late return of a vehicle. The total late charge for the late return of a vehicle from any one shift may not exceed the cost of one shift.

B. For any vehicle leased pursuant to 58-21(c)(3) or 58-21(c)(4) a late charge not to exceed $50.00 for each weekly lease payment paid late. A late charge can be imposed only if the weekly lease payment is not received within 24 hours of the date and time on which it is due.

(v) A reasonable cancellation charge, subject to the provisions of subdivision (i)(5) below;

(vi) Parking tickets and red light violations permitted to be deducted from the security deposit described in subdivision (e) below, provided that the Driver/lessee is allowed to challenge any ticket or violation; and

(vii) If the Owner (or Owner's Agent) is a Taxpayer, the Taxpayer can collect the MTA Tax collected by the lessee/Driver from the lessee/Driver. The MTA Tax must be collected in the following order:

A. The MTA Tax must first be deducted from any credit card reimbursements due as required in subdivision (f) below.

B. The MTA Tax must next be deducted from the security deposit permitted in subdivision (e) below.

C. If not fully paid, then the MTA Tax must be collected from the lessee/Driver

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

A. such amounts are dedicated for the purpose of providing healthcare services and disability coverage for drivers;
B. such amounts do not exceed $0.06 per trip.
C. such amounts are provided by rule of the Commission; and
D. such amounts are timely remitted to the Owner's TPEP Provider or other recipient as approved by the TLC.

| | | |
|---|---|---|
| §58-21(c)(5)(viii)(D) | Fine: $1,000 and suspension until compliance | Appearance REQUIRED |

(ix) State and local sales and rental taxes on vehicle rentals.

(x) If contained in the lease, a provision for the recovery of reasonable damages for a breach of the lease contract, including attorneys' fees and costs. Fines paid to the Commission by an Owner or Agent cannot be recovered from a driver as reasonable damages, except for

A. fines incurred as a result of a sublease prohibited by Rule 58-21(a)(2), or,

B. for drivers leasing under 58-21(c)(3) or (c)(4), fines incurred as a result of unauthorized operation by a suspended or revoked driver, or

C. fines imposed on the owner for violation of Rule 58-29(b), provided that such fine was assessed because of the conduct of the driver and provided the owner is able to show that the driver had notice of the inspection date, or

D. fines imposed on the owner for violation of Rule 58-31(a).

(xi) Credit Card Processing Surcharge for Leases entered into pursuant to 58-21(c)(1), 58-21(c)(2), 58-21(c)(3), or 58-21(c)(4) of these Rules:

A. For daily leases under 58-21(c)(1) and 58-21(c)(2), an Owner of a Taxicab can charge a $10 surcharge per shift for credit card processing.

B. For weekly leases under 58-21(c)(1) and 58-21(c)(2), an Owner of a Taxicab can charge a $60 surcharge per week for credit card processing.

C. For leases under 58-21(c)(3) and 58-21(c)(4), an Owner of a Taxicab can charge a $120 surcharge per week for credit card processing.

D. Beginning on January 1, 2013, each June and December, the TLC will review the TPEP systems' data to determine average credit card usage per shift. The TLC will review only the data for shifts at least seven hours long. Payments made by credit card shall be the entire amount paid by the passenger, as determined from the T-PEP records reviewed.

If, under this review, the amount of the average credit card usage per daily shift exceeds $200, the TLC will propose and support:

a rule seeking an adjustment to the Credit Card Surcharge for daily leases under 58-21(c)(1), 58-21(c)(2), 58-21(c)(3) and 58-21(c)(4) so that it is equivalent to 5% of the average credit card usage per shift for the preceding four months, rounded to the nearest whole dollar;

a rule seeking a similar adjustment to the Credit Card Surcharge for weekly leases under 58-21(c)(1) and 58-21(c)(2) by multiplying the per shift surcharge by six; and

a rule seeking a similar adjustment to the Credit Card Surcharge for Medallion-only and Medallion and Vehicle leases under 58-21(c)(3) and 58-21(c)(4) by multiplying the shift rate surcharge by twelve.

For example, if the average credit card usage per shift, using the criteria set forth above, is $200, the per shift surcharge shall be $10 ($60 per week, $120 per week for a lease under 58-21(c)(3) and (4)). If the average credit card usage per shift is $240, the per shift surcharge shall be $12 ($72 per week, $144 per week for a lease under 58-21(c)(3) and (4)). E. Upon enactment of any rule that changes the Credit Card Surcharge, the TLC will issue an industry notice setting forth the new Credit Card Surcharge. F. Notwithstanding the results of the review(s) above, the TLC will not adjust, propose, or seek an adjustment to Credit Card Surcharges to any amount less than $10 for any daily lease entered into pursuant to 58-21(c)(1), 58-21(c)(2), or less than $60 for any weekly lease entered into pursuant to 58-21(c)(1), 58-21(c)(2), or less than $120 for any lease entered into pursuant 58-21(c)(3) and 58-21(c)(4), irrespective of the average credit card usage per shift.

(6) *Optional Gasoline Surcharge:* An Owner/lessor, or his or her Agent leasing a Taxicab under Section 58-21(c)(1) or 58-21(c)(2) , may chose to provide gasoline to a lessee and charge a gas surcharge in an amount as specified in this section in addition to the Lease Cap provided in Section 58-21(c)(1) or 58-21(c)(2) , provided that

(i) Gasoline is provided to the lessee for the entire shift at no additional cost to the lessee.

(ii) The surcharge will be $126 per week (or $21 per shift) until December 31, 2012

(iii) After that date the surcharge will be reset based on the trailing 6 month average as of the date the surcharge is calculated of the New York City Gasoline Price Index issued by U.S. Energy Information Agency and published at www.eia.gov.

(iv) The surcharge will be calculated as of June 30 and November 30 of each year beginning November 30, 2012.

(v) The Commission will post the new surcharge on its Web site by July 15 and December 15 of each year

(vi) The new surcharge will take effect on July 31 and December 31 of each year beginning December 31, 2012. If the Commission has not posted a new surcharge, the prior surcharge will remain in effect.

(vii) Based on the index, the surcharge will be as follows:

**UNTIL THE OTV ACTIVATION DATE:**

| **When the Index is:** | **The surcharge will be:** |
|---|---|
| $2.49 or less | $13 per shift (or $78 per week) |
| $2.50 to $2.99 | $16 per shift (or $96 per week) |
| $3.00 to $3.49 | $18 per shift (or $108 per week) |
| $3.50 to $3.99 | $21 per shift (or $126 per week) |
| $4.00 to $4.49 | $23 per shift (or 138 per week) |
| $4.50 to $4.99 | $26 per shift (or $156 per week) |
| $5.00 or more | $28 per shift (or $168 per week ) |

**ON AND AFTER THE OTV ACTIVATION DATE:**

| **When the Index is:** | **The surcharge for Hybrid Electric and Diesel-Fueled taxicabs will be :** | **The surcharge for all other taxicabs will be** |
|---|---|---|
| $2.49 or less | $13 per shift (or $78 per week) | $16 per shift (or $96 per week) |
| $2.50 to $2.99 | $16 per shift (or $96 per week) | $19 per shift (or $114 per week) |
| $3.00 to $3.49 | $18 per shift (or $108 per week) | $21 per shift (or $126 per week) |
| $3.50 to $3.99 | $21 per shift (or $126 per week) | $24 per shift (or $144 per week) |
| $4.00 to $4.49 | $23 per shift (or 138 per week) | $26 per shift (or $156 per week) |
| $4.50 to $4.99 | $26 per shift (or $156 per week) | $29 per shift (or $174 per week) |
| $5.00 or more | $28 per shift (or $168 per week ) | $31 per shift (or $186 per week) |

| | | |
|---|---|---|
| §58-21(c) | Fine: First violation: $500<br>Second and subsequent violations; $1,000 and/or suspension of the Medallion for up to 30 days.<br>In addition to the penalty payable to the Commission, the ALJ can order the Owner to pay restitution to the Driver, equal to the excess that was charged to the Driver or the extra fuel the driver had to pay for. | Appearance REQUIRED |

(viii) Nothing in paragraph 58-21(c)(6) prohibits an Owner/lessor, or his or her Agent leasing a Taxicab under Section 58-21(c)(1) or 58-21(c)(2) from selling gasoline to a lessee independent of any lease payments made under 58-21(c)(1) or 58-21(c)(2) as long as such transactions are recorded and available for inspection as required by Section 58-21(b)(3) of this Chapter.

(7) *Collective Bargaining Exception to the Standard Lease Cap***.** The provisions of this section do not apply to Owners and lease Drivers whose business relationship is governed by the terms of a collective bargaining agreement that regulates the subject of lease prices.

(d) (Reserved)

(e) *Security Deposit on Taxicab Vehicles.*

(1) *Security Deposit Provision Permitted.* An Owner can include a lease provision for a security deposit from the Driver, provided it complies with the requirements of this subdivision (e).

(2) *Permitted Withholdings from Security Deposit.* At the termination or expiration of a lease an Owner may be reimbursed from the security deposit only for the following:

(i) Any unpaid but owing lease charges.

(ii) Damage to the vehicle, if the lease clearly and prominently states that the Driver is responsible for damage.

(iii) Any parking tickets issued during the lease.

(iv) Any red light violations issued to the Owner during the lease, under the NYC Department of Transportation's camera surveillance system.

(v) If the Owner (or Owner's Agent) is a Taxpayer, any MTA Tax remaining due from the Driver after deductions from credit card receipts due to the Driver.

(3) *Deposit Not to be Used for Owner Violations*. An Owner must not require a Driver to pay any summons that is written to the Owner as Respondent, other than those specified above.

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|---|---|---|
| §58-21(e)(3) | Fine: First violation: $250;<br>Second violation: $350;<br>Third and subsequent violations $500 and/or suspension of the Medallion for up to thirty days.<br>In addition to the penalty payable to the Commission, the ALJ can order the Owner to pay restitution to the Driver, equal to the excess that was withheld from the Driver, or equal to the amount that the Driver paid, at the requirement of the Owner, to satisfy any summons against the Owner | Appearance REQUIRED |

(4) *Limits on Amount of Deposit*. An Owner must not require a Driver to post any security deposit that is greater in amount than the rate for one lease term. However, if the lease term is for more than one week, an Owner must not require a Driver to pay a security deposit in an amount greater than the lease rate for one week. Examples include:

(i) An Owner who leases a Taxicab for one shift at the rate of $80 per shift can require up to an $80 security deposit.

(ii) An Owner who leases a Taxicab or Medallion for one week at the rate of $500 a week can require up to a $500 security deposit.

(iii) An Owner who leases a Taxicab for six months at the rate of $2,000 a month can require up to a $500 security deposit.

(iv) *Special Rule for Long Term leases under Paragraph 58-21(c)(4).*

A. A Lease under Section 58-21(c)(4) can include a refundable deposit of up to $5000, which may be collected at the beginning of the lease or in scheduled payments over time as specified in the lease. An Owner or an Owner's Agent must not accept any deposit in excess of this amount.

B. The weekly lease payment specified in Section 58-21(c)(4) must be credited by an amount equal to the prorated value of the refundable deposit, except that until the lease ends, a deposit equal to the deposit that could be required for a lease of a Medallion under Section 58-21(c)(3)(i) or (ii), as applicable, can be retained by the Owner/lessor or his or her Agent.

C. If the deposit is not fully credited against the lease because of a cancellation, any remaining, uncredited deposit shall be refunded to the lessee/driver within 30 days of termination or cancellation of the lease by the lessor or an Agent of lessor. *Note:* this does not apply when the driver breaks or terminates the lease prior to the term. The deposit shall be held, and interest shall accrue, in the manner prescribed by section 58-21(e)(7).

| | | |
|---|---|---|
| §58-21(e)(4) | Fine: $200 | Appearance NOT REQUIRED |

(5) *Provide Driver Written Receipt and Accounting for Security Deposit.*

(i) An Owner must provide written receipts for any security deposits made by a Driver.

(ii) An Owner must provide a Driver with a written itemization of any items withheld or deducted from a security deposit.

| | | |
|---|---|---|
| §58-21(e)(5) | Fine: $50 | Appearance NOT REQUIRED |

(6) *Return Deposit within 30 Days of Lease Termination.*

(i) An Owner must return a security deposit no later than 30 days after the end of the lease term.

(ii) An Owner must return a security deposit either by check or by cash exchanged for a written receipt from the Driver.

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|---|---|---|
| §58-21(e)(6) | Fine: $50 | Appearance NOT REQUIRED |

(7) *Interest on Security Deposit.*

(i) An Owner who requires a security deposit must secure the funds in an interest-bearing account in a bank or credit union within the City of New York, in an account devoted to security deposits and not commingled with funds of the Owner.

(ii) The Owner must indicate in writing provided to the Driver the name and address of the bank or credit union and the applicable account number.

(iii) Interest on the security deposit must accrue to the benefit of the Driver furnishing the security, except, however, that the Owner can

retain one percentage point of any interest, as compensation for bookkeeping expenses.

| | | |
|---|---|---|
| §58-21(e)(7) | Fine: $50 | Appearance NOT REQUIRED |

(8) *Collective Bargaining Agreement Exception to Limitations on Security Deposits.* The provisions of this section do not apply to Owners and lease Drivers whose business relationship is governed by the terms of a collective bargaining agreement that regulates the subject of security deposits.

(f) *Credit Card Charges.*

(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);

(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).

| | | |
|---|---|---|
| §58-21(f)(1)& (2) | Fine: $100 | Appearance NOT REQUIRED |

(3) An Owner (or Owner's Agent) must not withhold from the cash payments any credit card pass-along, fees or charges.

| | | |
|---|---|---|
| §58-21(f)(3) | Fine: First violation: $200<br>Second violation: $300<br>Third violation: $500<br>In addition to the penalty payable to the Commission, the ALJ may order the Owner to pay restitution to the Driver, equal to the excess amount that was charged to the Driver. | Appearance REQUIRED |

(4) If an Owner (or Owner's Agent) is a Taxpayer, the Taxpayer can deduct from the credit card receipts payable to the Driver the amount due for the MTA Tax from the Driver's trips.

(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.

(g) *Receipts to Drivers for All Payments*.

(1) An Owner (or Owner's Agent) must give a Driver a written receipt for every payment or deduction made under the lease and these Rules.

(2) The receipt must include the name of the Driver and the number of the Medallion subject to the lease.

(3) The receipt must clearly state the following information with respect to the payment or deduction:

(i) The date

(ii) The name of the recipient

(iii) The amount

(iv) The purpose

(v) The number of the section of this chapter that authorizes the payment or deduction

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|---|---|---|
| §58-21(g) | Fine: $50 plus driver gets free shift. | |

(h) *Lease Must Be in Writing.*

(1) Every Taxicab operating lease (including any amendments), must be in writing, and must be signed by the Owner (or a person authorized to act on behalf of the Owner), and by the leasing Driver or Drivers.

(2) A copy of the fully executed lease must be provided to the leasing Driver or Drivers.

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|---|---|---|
| §58-21(h) | Fine: $500 | Appearance NOT REQUIRED |

(i) *Terms.* Every lease must contain the following terms*:*

(1) *The type and term of the lease.* The lease must state the beginning date and time of the lease and the ending date and time of the lease.

(i) A weekly lease must run for seven consecutive calendar days.

(ii) A shift must run for 12 consecutive hours.

(2) *Costs covered by the lease.* The lease must state the total lease amount, and must itemize that total cost, including:

(i) The amount of the lease that applies to the medallion and the amount, if any, that applies to the vehicle

(ii) The amounts, if any, of the security deposit

(iii) The gasoline surcharge if there is one

(iv) Any other costs that the Driver will be charged

(3) *Reference Authorizing Rule Sections.*

(i) For each itemized cost listed above (in subparagraph (2)), the lease must include a reference to the Commission Rule authorizing the Owner to charge the cost to the Driver.

(ii) The lease must either recite the complete text of each Rule or state the address of the Commission's Web page on which the Rule is published.

(4) *Overcharges.* Every lease must contain clearly legible notice that overcharging a lessee/Driver is prohibited by the Commission's Rules, and that complaints of overcharges may be made in writing to the Commission or by telephone call to 311.

(5) *Charges Upon Cancellation.*

(i) If an Agent demands the return of a Medallion upon the request of an Owner, the Driver has the right to request the Agent to provide a replacement Medallion and, if the Agent provides another Medallion, the Driver will not be responsible for the costs of hacking up a replacement vehicle.

(ii) Any cancellation charge contained in the lease must be reasonable, and will not be permitted unless the lease also provides that:

A. Owner is not permitted to charge a Driver a cancellation charge if the Driver is not late in making lease payments at the time the Owner cancels the lease.

B. When a cancellation payment is made, the Driver's obligation to make lease payments terminates immediately.

(6) *Deposit information.* Each lease must include the information regarding deposits required by §58-21(e) of this chapter.

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|---|---|---|
| §58-21(i) | Fine: First violation $500<br>Second and subsequent violations: $1000 and/or suspension of the Medallion for up to thirty days.<br>In addition to the penalty payable to the Commission, the administrative law judge may order the owner to pay restitution to the driver, equal to the excess or non-authorized charge that was charged to the driver. | Appearance REQUIRED |

(j) *Retaliation.*

(1) An Owner must not retaliate against any Driver for making a good faith complaint against any Owner for violation of the leasing provisions in §58-21 of this chapter.

(2) "Retaliation" will be broadly construed, and will include imposing any adverse condition or consequence on the Driver or withholding or withdrawing any beneficial condition or consequence from the Driver.

| | | |
|---|---|---|
| §58-21(j) | Fine: $1,000, plus restitution to the driver for losses for the first offense and a fine of $10,000 plus restitution to the driver for the second offense within five years. | Appearance NOT REQUIRED |

## §58-22 Records – Trip Record Information

(a) *Record of Passenger Trip Information.* The Trip Record is the record of all data collected from every for hire trip made by a Taxicab and must include the following information:

(1) The Taxicab Medallion number

(2) The Taxicab Driver's License number

(3) The location where each passenger is picked up

(4) The time each passenger is picked up

(5) The total number of passengers

(6) The location where each passenger is dropped off

(7) The time each passenger is dropped off

(8) The total trip mileage

(9) The itemized metered fare for the trip (fare, tolls, surcharge, and tip, if paid by credit or debit card)

(10) Method of payment

(11) The trip number

(12) Other information required by the Commission

(b) *Form of Trip Record.*

(1) Trip Records must be collected and stored electronically, through the use of the Taxicab Technology System (T-PEP).

(2) If the T-PEP is inoperable, a written Trip Record must be kept during the 48-hour period the Taxicab is permitted to operate after timely notification of the malfunction. (*See §58-41 of this Chapter)*

(c) *Access to Trip Record.*

(1) Trip Record information must be available to the Commission and the Taxicab Driver.

(2) Trip Record information must be available at the end of each shift and/or at the end of a lease term.

(3) An Owner must take possession of any written Trip Records weekly.

| | | |
|---|---|---|
| §58-22(c)(3) | Fine: $25 | Appearance NOT REQUIRED |

(d) *Changes and Corrections*.

(1) An Owner must not knowingly enter false information into the electronic data system for entry onto the electronic Trip Record.

(2) An Owner must not make erasures or obliterate information on a written Trip Record, or other record that Owner is required to maintain.

| | | |
|---|---|---|
| §58-22(d)(2) | Fine: $50 | Appearance NOT REQUIRED |

(3) If a wrong entry is made on any written Trip Record, the Driver or Owner must correct it and record the date, time, and reason for the change, so long as a record of the manually changed entry exists**.**

| | | |
|---|---|---|
| §58-22(d)(3) | Fine: $50 | Appearance NOT REQUIRED |

(4) Trip Records must not be changed either in whole or in part, unless authorized by the Commission.

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|---|---|---|
| §58-22(d)(4) | Fine: $100 - $350 and/or suspension up to 30 days | Appearance NOT REQUIRED |

## §58-23 Records – Contact Information

(a) *Mailing Addresses.*

(1) Each Owner must designate a Mailing Address; this can be the Agent's address but cannot be a post office box number.

(2) Any communication from the Commission is sufficient if sent to the Mailing Address furnished by the Owner.

(3) Each individual Owner must also file and maintain with the Commission the Owner's personal address and a telephone number where the Owner can be reached directly.

(4) Each Business Entity Owner must also file and maintain with the Commission the personal addresses and telephone numbers of each of Owner's Business Entity Persons.

| | | |
|---|---|---|
| §58-23(a)(1) – (4) | Fine: $100 | Appearance NOT REQUIRED |

(5) The Commission is not required to send any communication to the Owner's personal address, except when notifying Owner that the License of the Agent designated by Owner has been revoked. Other communications sent to the Owner's personal address are at the discretion of the Commission.

(6) An Owner must report any change of Mailing Address to the Commission in person or by registered or certified mail within ten days.

| | | |
|---|---|---|
| §58-23(a)(6) | Fine: $100 | Appearance NOT REQUIRED |

(b) *Telephone Number and Immediate Access.* An Owner must maintain on file with the Commission a current telephone number connected to an answering machine or recording device, a pager number, an answering service telephone number or a similar means of telephone contact, so that the Commission can reach the Owner on a 24-hour basis.

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|---|---|---|
| §58-23(b) | Fine: $100 | Appearance NOT REQUIRED |

## §58-24 Records – Maintenance Requirements

(a) *Shift Drivers.* An Owner must keep accurate records of the Driver for each shift.

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|---|---|---|
| §58-24(a) | Fine: $250 | Appearance NOT REQUIRED |

(b) *Fleet or Minifleet Owner Records.* A fleet or minifleet Owner must maintain for a period of three years a written record of every shift providing the following information for each Taxicab:

(1) Driver's name,

(2) Taxicab Driver's License number,

(3) State license plate number,

(4) Medallion number,

(5) Time of leaving garage,

(6) Exact time of return.

| | | |
|---|---|---|
| §58-24(b) | Fine: $25 | Appearance NOT REQUIRED |

(c) All Owners must maintain the following additional records for a period of three years:

(1) Drivers' electronic and written trip records

(2) Receipts and disbursements from the Taxicab operations

(3) Payments to Drivers

(4) Mileage record of each vehicle

(5) Workers' compensation insurance coverage, if any

(6) Liability insurance coverage

(7) Any other information required by the Commission

| | | |
|---|---|---|
| §58-24(c)(1)-(7) | Fine: $50 for violation of each subdivision hereof. | Appearance NOT REQUIRED |

(d) An Owner must make available to a Driver any records that the Owner is required to maintain, and that the Driver can be required to present to the Commission or any other governmental agency; the Owner can provide photocopies of the records.

| | | |
|---|---|---|
| §58-24(d) | Fine: $50 | Appearance NOT REQUIRED |

## §58-25 Reporting Requirements

(a) *Report Change in Status.*

(1) When an Owner has a change of Mailing Address or a change in the office of record, the Owner must personally appear at the Commission to report the changes within 72 hours of such change (not including weekends and holidays).

(2) The Owner must bring the Rate Cards for all of Owner's Taxicabs.

| | | |
|---|---|---|
| §58-25(a) | Fine: $100 | Appearance NOT REQUIRED |

(b) *Lost, Stolen, or Damaged Taximeter***.** If a Taximeter is lost, stolen or damaged beyond repair, the Owner must notify the Commission and the Police Department within 48 hours (not including weekends and holidays) of the loss, theft or

destruction, and must provide any affidavit or information that the Commission requires.

| | | |
|---|---|---|
| §58-25(b) | Fine: $100 | Appearance NOT REQUIRED |

## §58-26 Operations – Rates and Tolls

(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 $.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 $.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 $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 $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. $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.

(c) *Group Ride Fares.*

(1) *Group Ride Fare from LaGuardia Airport (*Reserved)

(2) *Group Ride Fare from York Avenue***.** The fare for trips made under a Group Riding plan from York Avenue to the Financial District will be $6.00 per passenger. In addition, there can be a fee for dispatch services as the Commission determines.

(3) *Group Ride Fare from the Port Authority Bus Terminal.* The fare for trips made under a Group Riding plan from the Port Authority bus terminal at Eighth Avenue between 40th and 42nd Streets to the 59th Street and Sixth Avenue area will be $3.00 per passenger.

(4) *Experimental Group Ride Programs***.**

(i) *Additional Pickup Locations*. The Chairperson can recommend for Commission approval additional Group Riding plan pickup

locations on a temporary basis, to determine the effectiveness of each Group Riding plan.

(ii) *Demand-Driven Temporary Group Riding Plans.* The Chairperson can also recommend for Commission approval additional Group Riding plans on a temporary basis to respond to demand created by special events or unique circumstances.

(iii) *Duration.* Any Group Ride plan established by the Commission under this subdivision will terminate one year after the date the plan was established, unless:

A. Final rulemaking has been enacted establishing the Group Riding plan location and rate of fare; or

B. The Commission has determined that it is in the best interest of the Commission to extend the Group Riding plan pilot program for an additional definite period of time not to exceed one year.

(iv) *Termination.* The Commission can discontinue any Group Riding plan that has not been the subject of final rulemaking upon a determination that continuation of the plan is not in the best interest of the public.

(5) *MTA Tax.* In a group ride, one passenger will pay the MTA Tax. The fare for that passenger will be reduced by the amount of the MTA Tax. All passengers will pay the same total amount. (*Example:* If three passengers are taking a group ride for which the fare is $6.00 per person, the fare will be adjusted so that the total fare for all three passengers equals $17.50 plus the $.50 MTA Tax.)

(d) *Trips Beyond the City***.**

(1) For a trip beyond the limits of the City of New York, except for Westchester or Nassau County, or Newark Airport, the fare will be a Flat Rate. The MTA Tax must be added to the Flat Rate for any trip that starts in New York City and ends in any of the following:

(i) Dutchess County

(ii) Orange County

(iii) Putnam County

(iv) Rockland County

(v) Suffolk County

(2) For a trip to Westchester or Nassau County the fare will be the sum of the following amounts:

(i) The amount shown on the Taximeter for that portion of the trip that is inside the City limits, plus

(ii) Twice the amount shown on the Taximeter for that portion of the trip that is outside the City limits, plus

(iii) All necessary tolls to and from the destination.

(iv) The MTA Tax must be added to the total fare.

(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 $17.50, plus

(iii) All necessary tolls to and from the destination

(4) Any continuous trip where the point of origin and the destination are both within the limits of the City of New York will not be considered a trip beyond the City limits, even though the shortest and most direct route requires traveling outside the City limits but within continuous counties. The Taximeter must be kept in the recording position throughout the trip.

(e) *No Charge for Luggage or Mobility Aids***.** There will be no charge for:

(1) Steamer trunks or other luggage or belongings;

(2) Wheelchairs, crutches, three-wheeled motorized scooters and other mobility aids transported in the interior of the Taxicab;

(3) Use of the Taxicab's trunk.

(f) *Tolls – How Tolls are Paid.*

(1) All Taxicabs must be equipped with a New York MTA Bridges & Tunnels *EZ-Pass®*. (*See §58-27)*

(2) When a Taxicab drives through a toll plaza with an *EZ-Pass®*, the MTA Bridges & Tunnels automatically deducts the cost of the toll from an account maintained by the *EZ-Pass®* tag holder.

(3) Passengers must pay for the toll, but are only required to pay the actual amount (often a discounted toll) charged to the *EZ-Pass®*.

(4) Drivers must collect the proper toll amount from the passenger and forward it to the holder of the *EZ-Pass®* tag.

(g) *Tolls – What Tolls are Paid by Passenger.*

(1) On all trips within the City of New York, the passenger must pay:

(i) All tolls incurred driving *to* the passenger's destination

(ii) No tolls for the Driver's *return* trip, except for trips over:

A. The Cross Bay Veterans Bridge

B. The Marine Parkway – Gil Hodges Memorial Bridge

(2) On trips beyond the City of New York, the passenger must pay all necessary tolls *to and from* the destination.

(3) A Driver who charges a passenger *more* than the actual amount of the *EZ-Pass®* toll is guilty of an overcharge as prohibited by §54-27 of the Taxicab Drivers chapter.

(4) A Driver who fails to reimburse an *EZ-Pass®* tag holder for all toll charges incurred, including toll charges for which there is no passenger reimbursement, will be subject to the provisions of §54-15(f)(4) of the Taxicab Drivers chapter.

(5) In addition to any other penalty permitted, the Commission can order restitution to a passenger or the *EZ-Pass®* tag holder.

(h) *Credit/Debit Card Rules.*

(1) An Owner who is a merchant is not permitted to charge the Driver a pass-along or deduction from the total credit/debit charges incurred during the Driver's shift. An Owner who is a merchant must pay to a Driver all fares paid by credit card.

(2) Merchants are not permitted to charge a pass-along to any passenger for credit/debit card transactions.

(3) An Owner or Agent who or which is collecting the credit card surcharge authorized by 58-21(c)(5)(xi) must ensure that a Driver is not charged any additional credit card charges, or must reimburse the driver for any such additional charges, including any credit card charges imposed on the driver by the T-PEP Provider.

| | | |
|---|---|---|
| §58-26(h) (3) | Fine: $500 | Appearance NOT REQUIRED |

## §58-27 Operations – EZ-Pass® Required

(a) *EZ-Pass® Account.* All Owners must participate in the *EZ-Pass®* New York Program by maintaining a current account with the Metropolitan Transportation Authority, Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels" or "MTA B&T").

| | | |
|---|---|---|
| §58-27(a) | Fine: $100 and suspension until compliance | Appearance REQUIRED |

(b) *EZ-Pass® Tags Required on all Taxicabs.*

(1) Owners must either:

(i) Equip all of Owner's Taxicabs with an MTA Bridges and Tunnels *EZ-Pass®* tag, each of which must be attached as required by MTA B&T, or

(ii) Allow a Driver to use his or her personal *EZ-Pass®* tag.

(2) Owners must have available at least one MTA Bridges and Tunnels tag for each of their Medallions.

(3) Owners must maintain a sufficient balance in their *EZ-Pass®* account, according to what is required by the program.

| | | |
|---|---|---|
| §58-27(b) | Fine: $100 and suspension until compliance | Appearance REQUIRED |

(c) *Driver Provides EZ-Pass® Tag.*

(1) A Driver can choose to use his or her own *EZ-Pass*® tag.

(2) If a Driver uses his or her own *EZ-Pass*®, the Driver keeps the toll money paid by the passenger, or is reimbursed the amount of the toll(s) if the passenger pays by credit or debit card.

(d) *Owner Provides EZ-Pass® Tag.*

(1) *Funds Accrue to Owner*. When an Owner provides the *EZ-Pass*® tag, the Driver must ensure that all of the monies paid by a passenger for toll(s) accrue to the Owner.

(i) If the customer pays by cash, the Driver will forward the money to the Owner at the end of his or her shift or at the end of his or her lease.

(ii) If the customer pays by credit or debit card, the Owner will retain any amount paid for toll(s).

| | | |
|---|---|---|
| §58-27(d)(1) | Fine: $250 | Appearance NOT REQUIRED |

(2) *Owner can Require Driver to Maintain a "Replenishment" Account.*

(i) An Owner who is the *EZ-Pass*® tag holder can require a Driver who is Dispatched in one of Owner's Taxicabs for one or more shifts to maintain an *EZ-Pass*® replenishment account with the Owner.

(ii) The Owner can require a Driver to maintain a maximum of $10 for every 12-hour shift included within a lease period, up to a maximum of $100, in the replenishment account for the benefit of Owner.

(iii) The Owner can collect from this account any tolls paid by the Owner's *EZ-Pass*® account for a tag assigned to a Taxicab operated by the Driver, for which the Owner has not been reimbursed.

(iv) Any funds held in the replenishment account that are not used to reimburse the Owner must be returned to a Driver within 30 days after the termination of the Driver's lease with the Owner.

(v) An Agent has the same rights and obligations as Owner under this paragraph §58-27(d)(2).

| | | |
|---|---|---|
| §58-27(d)(2) | Fine: $250 plus restitution to the Driver of any replenishment account improperly retained by an Owner or Agent | Appearance REQUIRED |

## §58-28 Operations – Miscellaneous Requirements

(a) *Lost Property–Police Notification.* Passenger lost property found in a Taxicab must be taken without delay to the police precinct in which the garage is located unless it can be returned to its rightful owner within a reasonable time.

| | | |
|---|---|---|
| §58-28(a) | Fine: $25 – 250 | Appearance REQUIRED |

(b) *Lost Property–Notify the Commission.* The Taxicab Owner must promptly inform the Commission of any property that has been taken to a police precinct as required by §58-28(a).

| | | |
|---|---|---|
| §58-28(b) | Fine: $25 | Appearance NOT REQUIRED |

(c) *No Solicitation***.**

(1) When a Taxicab is operating, Owners must not allow any service or merchandise to be sold or advertised to any passenger.

(2) An Owner must not make any arrangement with an owner, manager or employee of any restaurant, bar, night club, cabaret, dance hall, hotel, or any similar place, in which the Driver agrees to solicit or recommend patronage for such places, without prior written approval of the Commission.

| | | |
|---|---|---|
| §58-28(c) | Fine: $50 – 200 | Appearance REQUIRED |

(d) *No Disruption of Pedestrian or Vehicular Traffic.* An Owner must not Dispatch a Taxicab from a public street or other public area if the Dispatch will prevent the flow of pedestrians or vehicular traffic, or cause inconvenience or annoyance to the public.

| | | |
|---|---|---|
| §58-28(d) | Fine: $100 | Appearance NOT REQUIRED |

## §58-29 Vehicle Condition – Inspections

(a) *Required Inspections.* No new or replacement Taxicab can operate for hire unless it has been inspected and approved by the Commission.

| | | |
|---|---|---|
| §58-29(a) | Fine: $100 and seizure of the vehicle | Appearance NOT REQUIRED |

(b) *Tri-Annual Inspection.* An Owner must have his Taxicab inspected every four months at a date and time designated by the Commission and at any other time deemed necessary by the Commission.

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

(c) *Components of Taxicab Inspections.* A Taxicab inspection consists of (1) inspection to verify compliance with the inspection items required by Section 301 of the New York State Vehicle and Traffic Law, (2) visual inspection of the interior and exterior of the Taxicab to verify compliance with these Rules, and (3) inspection to verify compliance with any other applicable laws, rules and requirements. If a Taxicab fails any component of the inspection, it must be reinspected until it passes all components of the inspection.

## §58-30 Vehicle Condition – Meet Safety Standards

(a) While a taxicab is in operation, all equipment, including brakes, tires, lights and signals must be in good working order and meet all requirements of the New York State Vehicle and Traffic Law, and the Rules of the Commission**.**

| | | |
|---|---|---|
| §58-30(a) | Fine: $150 if plead guilty before a hearing; $200 if found guilty following a hearing. | Appearance NOT REQUIRED |

(b) An Owner must comply with all notices and directives to correct defects in Taxicabs.

| | | |
|---|---|---|
| §58-30(b) | Fine: $50 and suspension until the defective condition is corrected. | Appearance N/A |

(c) An Owner must repair or replace a Taxicab when the Commission determines that the vehicle is unsafe or unfit for use as a Taxicab and directs the Owner to remove it from service. The Owner must surrender the Medallion and Rate Card to the Commission for storage and the License will be suspended.

| | | |
|---|---|---|
| §58-30(c) | Fine: $100 - $350 and/or suspension up to 30 days<br>Summary Suspension until compliance | Appearance N/A |

## §58-31 Vehicle Condition – Miscellaneous

(a) *Clean***.** The Taxicab's exterior and interior must be clean.

| | | |
|---|---|---|
| §58-31(a) | Fine: $50 if plead guilty before a hearing; $75 if found guilty following a hearing. | Appearance NOT REQUIRED |

(b) *Trunk***.** The trunk compartment must be capable of securely holding passengers' baggage.

| | | |
|---|---|---|
| §58-31(b) | Fine: $75 | Appearance NOT REQUIRED |

(c) *Shoulder Belts.*

(1) Every Taxicab must be equipped with shoulder belts for both outside front seat positions and both outside rear seat positions.

| | | |
|---|---|---|
| §58-31(c)(1) | Fine: $100 - $250 | Appearance REQUIRED |

(2) All seat belts and shoulder belts must be clearly visible, accessible and in good working order.

| | | |
|---|---|---|
| §58-31(c)(2) | Fine: $100 - $250 | Appearance REQUIRED |

(d) *No Alterations.* An Owner will make no structural change in a Taxicab or in an OTV that deviates from the Taxicab specifications set forth in Chapter 67 of these Rules without the Commission's written approval.

| | | |
|---|---|---|
| §58-31(d) | Fine: $100 | Appearance NOT REQUIRED |

(e) *No Physical Movement of Medallion.* An Owner must not affix, remove or transfer a Medallion to a new or replacement vehicle without prior authorization of the Commission, except that an Owner can affix additional bolts to a Medallion in order to further secure it.

| | | |
|---|---|---|
| §58-31(e) | Fine: $100 - $350 and/or suspension up to 30 days | Appearance REQUIRED |

(f) *Medallion Number on Roof Light***.** The Medallion number on the front and rear of the Roof Light must be clean and unobstructed so that the Medallion number is plainly visible.

| | | |
|---|---|---|
| §58-31(f) | Fine: $50 if plead guilty before a hearing; $75 if found guilty following a hearing. | Appearance NOT REQUIRED |

(g) *Illumination.* When a Taxicab is in operation for hire after sunset, the following items must be illuminated so that they are clearly visible from the rear seat:

(1) The face of the Taximeter

| | | |
|---|---|---|
| §58-31(g)(1) | Fine: $25 | Appearance NOT REQUIRED |

(2) The Taxicab Driver's License

| | | |
|---|---|---|
| §58-31(g)(2) | Fine: $200 Notice to correct within 10 Days | Appearance REQUIRED |

(3) The Rate Card

| | | |
|---|---|---|
| §58-31(g)(3) | Fine: $200 Notice to correct within 10 Days | Appearance REQUIRED |

(h) *Lighting Control.* The dashboard dimmer switch or any other device must not control the candlepower of the Roof Light, Taximeter light, card frame light or interior lighting.

| | | |
|---|---|---|
| §58-31(h) | Fine: $50 - $350 and/or suspension up to 30 days | Appearance REQUIRED |

## §58-32 Vehicle – Markings & Advertising

(a) *Approved Exterior Markings.*

(1) An Owner of a Taxicab must apply to the exterior of the Taxicab markings approved by the Commission

(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.

| | | |
|---|---|---|
| §58-32(a)(1)-(3) | Fine: $75 | Appearance NOT REQUIRED |

(b) *Approved Emblems.*

(1) An Owner must not display emblems on the Taxicab exterior, other than an emblem identifying:

(i) The Owner

(ii) An association of Owners

(iii) A Taxicab Drivers' union

(iv) The Taxicab manufacturer

(2) These emblems must conform to the Marking Specifications for Taxicabs and will be subject to the approval of the Commission.

(3) No more than two of the same emblem can be displayed on a Taxicab, unless otherwise authorized by the Commission.

| | | |
|---|---|---|
| §58-32(b)(1)-(3) | Fine: Notice to correct within 10 days; failure to comply: $200 | Appearance REQUIRED |

(c) *Other Approved Markings.* An Owner must not display any lettering, emblem, advertising or marking of any kind on the exterior of a Taxicab, including windows and exterior accessories, unless authorized by the Commission, except for the following:

(1) Markings, inscriptions and/or advertising specifically permitted or authorized by the Commission.

(2) Advertising that is authorized by the Commission on the Vehicle's Rate Card and for which the Owner has obtained a permit from the Commission

(3) *Accessible Taxicab Insignia*

(i) The design for insignia that will identify the vehicle as an Accessible Taxicab will be provided by the Commission on its website or through other means presented on its website.

(ii) These insignia must be located on the exterior of the C-pillars of a sedan or an SUV or on the exterior of the D-pillars of a minivan, on both sides of the accessible Taxicab, and will be visible to passengers entering the accessible Taxicab.

(4) *Clean Air Taxicab Insignia*.

(i) The design for insignia that will identify the vehicle as a Clean Air

Vehicle will be provided by the Commission on its website or though other means presented on its website.

(ii) These insignia must be located on the exterior of the C-pillars of a sedan or an SUV or on the exterior of the D-pillars of a minivan, on both sides of such Taxicab, and will be visible to passengers entering the clean air Taxicab.

| | | |
|---|---|---|
| §58-32(c) | Fine: $50 if plead guilty before a hearing; $75 if found guilty following a hearing. | Appearance NOT REQUIRED |

(d) *Maintain in Good Condition.* Required inscriptions and markings must be maintained in good condition.

| | | |
|---|---|---|
| §58-32(d) | Fine: $75 | Appearance NOT REQUIRED |

(e) *Commercial Use Tax Stamp.* An Owner must affix a current New York City commercial use motor vehicle tax stamp to the lower right side of the Taxicab windshield so as to be plainly visible.

| | | |
|---|---|---|
| §58-32(e) | Fine: Notice to correct within 10 days Failure to comply: $200 | Appearance REQUIRED |

(f) *Approved Interior Markings.* An Owner must not display inside a Taxicab any advertising or other notice not specifically authorized by these rules or the Commission's Marking Specifications for Taxicabs unless approved by the Commission, except for the following:

(1) Industry signage/logos of all credit/debit cards accepted by the Taxicab Technology System, all of equal size, shown in the information content on the passenger information monitor screen; and

(2) Advertising in the information content on the passenger information monitor screen as set forth below in the Taxicab Marking Specifications table (§58-32(i)) and in §67-15(d) of these Rules.

| | | |
|---|---|---|
| §58-32(f)(2) | Fine: $50 | Appearance NOT REQUIRED |

(g) *Braille and Raised Lettering Plaques.* An Owner must equip all Taxicabs with both of the following:

(1) *A Taxicab Identification Braille Plaque*.

(i) This plaque must be made of .040 gauge aluminum with a matte finish and measure 3¼ inches in length and 1¾ inches in height,

with radius corners.

(ii) The plaque must state, in Raster Braille grade two:

A. The Medallion number centered on the first line,

B. The word "COMPLAINTS" centered on the second line, and

C. The telephone number "212 NYC TAXI" centered on the third line.

(iii) The plaque must be permanently affixed on the door armrest of the horizontal plane of the right rear door, or another location approved by the Chairperson.

(2) *A Taxicab Identification Raised Lettering Plaque.*

(i) This plaque must be made of ⅛-inch thick black acrylic plastic and measure 11 inches in length and five inches in height, with radius corners and four holes (one in each corner) for attachment with screws.

(ii) The plaque must state, in one inch high white Helvetica lettering that is permanently affixed:

A. The Medallion number centered on the first line,

B. The word "COMPLAINTS" centered on the second line, and

C. The telephone number "212 NYC TAXI" centered on the third line with appropriate spacing between the three words.

(iii) The plaque must be permanently affixed on the rear of the front right passenger seat or partition, not more than six inches below the lexan or polycarbonate portion of the partition.

| | | |
|---|---|---|
| §58-32(g)(2) | Fine: $100. No penalty for missing plaque, if condition is corrected within forty-eight hour | Appearance N/A |

(h) *Special Markings for Clean Air Vehicles.* Owners of a Clean Air Taxicab must display on the Taxicab's Personal Information Monitor information provided by the Commission that accomplishes the following:

(1) Identifies the Taxicab as a Clean Air Vehicle

(2) Includes the address of the Commission web page(s)

(3) Includes, to the extent practicable:

(i) Estimated air quality benefits associated with the use of the vehicle, and

(ii) The type of fuel used to power the vehicle.

| | | |
|---|---|---|
| §58-32(h) | Fine: Notice to correct within 10 days<br>Failure to comply: $200 | Appearance REQUIRED |

(i) *Marking Specifications for Taxicabs.*

| **INSCRIPTION*** | **LOCATION** | **SIZE** |
|---|---|---|
| (a) Rate of fare decals (Reserved). | | |
| (b) Taxicab logo decals (required) (Non-detachable type only.) | Both front doors centered left to right and located in the upper half of the flat surface between the bottom edge of the door and the door handle.<br><br>The base line of the Taxicab logo decal must be parallel to the bottom door edge. | The size of the Taxicab logo decals must be determined by the Commission |
| (c) Medallion number (required) | Front and rear of roof light. | 2¾" to 3" high letters ½" thick. |
| (d) "Owner-Driver" (optional) | Rear of taxi. | 3" maximum height |
| (e) EMBLEMS (Optional)<br>(1) Fleet Owner<br>(2) Owner Association<br>(3) Taxicab Drivers' Union insignia<br>(4) Taxicab manufacturer | On rear baggage compartment in lower right corner of deck lid. Consult the Commission if contour of lid requires another location on the lid. | 2" high letters ¼" thick. Avoid overcrowding |
| (f) Medallion number, interior (required). Can be one-piece decal or a stencil. The number must be of a color contrasting with the seat, to provide for easy legibility. | On the back of the front seat.<br><br>The top of the number must be located not more than two inches below the top of the front seat. | Numbers and letter must be 3" minimum in height. |
| (g) Passenger Information Sign. (required) Must contain the information required by the Chairman or his designee. | On the back of the front seat or on a safety partition, displayed in a manner that is clearly visible to the passengers in the back seat. | Approximately 12" wide by 6" high. |
| | If the taxi is equipped with a safety partition, the passenger information sign can be placed on the partition behind the Driver's head, but no higher than a headrest would be. | |

| INSCRIPTION* | LOCATION | SIZE |
|---|---|---|
| (h) "Drivers Wanted" sign. Can include the telephone number of the Owner. (Optional) | Rear of taxi. | No more than 24" wide by 3" high. |
| (i) "If this taxi is parked for over 24 hours, please call Owner at (telephone number)…" (Optional) | Rear of taxi or horizontal on dashboard. | No more than 24" wide by 3" high. |
| (j) Telephone available, or similar language or symbol (optional) | Exterior, on a door or a side window. | 4" by 6", or smaller. |
| (k) Brand name of passenger information monitor manufacturer or Taxicab Technology Service Provider | On the bezel of the frame of the passenger information monitor | Not to exceed 11/4" in height and 4" in length |
| (l) "This vehicle is equipped with camera security. YOU WILL BE PHOTOGRAPHED." (Non-detachable decals only) | On rear passenger window | Letters must be at least one-half inch high. |
| (m) Medallion number decals (required). (Non-detachable decals only.) | The decals must be applied to both rear quarter panels, just below the rear windows or following the line created by the bottom edge of the window.<br><br>On some vehicles, such as minivans, the Medallion number can be placed at the rear of the sliding door. | The size of the Medallion number decals must be determined by the Commission. |
| (n) Checkerboard stripe decals (Reserved) | | |
| (o) "Drivers are not allowed to use cell phones or handheld electronics." Decal or sticker shall be issued by the Commission | Interior of passenger compartment in a location plainly visible to passengers | As issued by the Commission |
| | | |

*Detachable signs suspended from door frames are not permitted.

## §58-33 Vehicles – Items Required in Vehicle

(a) The following must be present in the Taxicab while it is in operation for hire:

(1) The Taxicab Driver's License, in the Driver's License frame

(2) The Rate Card, in the Driver's License frame

(3) An insurance card or photocopy, unless the Owner is self insured and has noted this fact on the Rate Card along with any other information required by the Commission

(4) All other notices required to be posted in the Taxicab

| | | |
|---|---|---|
| §58-33(a)(1)-(4) | Fine: $25 for each (1) – (4) not in vehicle, not to exceed $75 in the aggregate | Appearance NOT REQUIRED |

(5) A means of collecting and recording all of the Trip Sheet data.

## §58-34 Vehicle Equipment

(a) *Roof Light.* A roof light is required on all Taxicabs, as required by the Hack-Up specifications in Chapter 67; the Taxicab Owner must ensure compliance with the following:

(1) *Controlled by Taximeter.* The Taxicab Roof Light must be automatically controlled by the operation of the Taximeter so that it is lighted only when the Taximeter is in an off position and unlighted when the Taximeter is in a recording position. An Owner must not tamper with the operation of the Taxicab's Roof Light.

| | | |
|---|---|---|
| §58-34(a)(2) | Fine: $50 - $350 and/or suspension up to 30 days | Appearance REQUIRED |

(b) *Optional Two-way Radio.*

(1) A Taxicab can be equipped with a two-way radio only in the Citizens Radio Service and only on the forty frequencies, within allowed deviation, specifically authorized under the rules of the Federal Communications Commission.

(2) Emissions, transmission power and antenna length must comply with limits established by the rules of the Federal Communications Commission.

(3) A two-way radio must not be used for purposes of Dispatch or passenger reservations.

| | | |
|---|---|---|
| §58-34(b) | Fine: $100 - $350 And removal of radio | Appearance N/A |

(c) *Air Conditioning***.** Each Taxicab must be equipped with an operable air conditioning system; when the vehicle is also equipped with a partition, the air conditioning system must be able to provide cool air to the rear passenger area.

| | | |
|---|---|---|
| §58-34(c) | Fine: $50 per day except that where the system is installed and malfunctioning, a notice to correct within ten days must be issued | Appearance REQUIRED |

(d) *Trouble Lights***.** An Owner must ensure that all Taxicabs bearing such Owner's Medallion(s) are equipped with a help or distress signaling light system meeting the requirements of §67-11.

| | | |
|---|---|---|
| §58-34(d) | Fine: $175 and suspension until the condition is corrected. Respondent must provide a condition corrected form issued by the TLC's Safety and Emissions Division. | Appearance NOT REQUIRED |

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(e) *Optional Rooftop Advertising Fixture.*

(1) An Owner may equip a Taxicab with an authorized Rooftop Advertising Fixture in accordance with Rule 67-16.

(2) The Owner must remove a Rooftop Advertising Fixture if the TLC terminates such authorization in accordance with section 67-16(e) of these Rules.

(3) An Owner must not use any rooftop advertising fixture unless the Owner has obtained a permit to use such a fixture.

(4) An Owner can use only an authorized Rooftop Advertising Fixture.

| | | |
|---|---|---|
| §58-34(e)(1-4) | Fine: $200 and a 10-day Notice to Correct. If the 10-day Notice to Correct is not complied with, Summary Suspension until the condition is corrected | Appearance NOT REQUIRED |

(5) An Owner shall be prohibited from installing any advertising material if a Vehicle Owner reasonably objects to the express or implied content of such material. A Vehicle Owner may, but cannot be compelled to, waive this right to object by providing an Owner a blanket prior written consent to all advertising material. If such Vehicle Owner does not waive this right, and there is a dispute with respect to such advertising, Owner and Vehicle Owner shall name a third party who shall decide any such dispute. If the Owner and Vehicle Owner cannot agree on who shall decide the dispute they may obtain the assistance of any alternate dispute resolution service with offices in the City of New York, the cost of which service will be equally shared by the Owner and the Vehicle Owner. The definition of Vehicle Owner for this paragraph includes the title owner of

the Taxicab vehicle, or the long-term lessee of the Taxicab vehicle where the vehicle lease has a conditional purchase agreement for the vehicle.

| | | |
|---|---|---|
| §58-34(e)(5) | Fine: $150 for every thirty days the advertising material is posted on the taxicab, if plead guilty before a hearing; $200 for every thirty days the advertising material is posted on the taxicab, if found guilty following a hearing. | Appearance NOT REQUIRED |

(f) *Operable Rear Windows*. An Owner must equip all Taxicabs with an operable rear window that meets the requirements of §67-08 (c).

| | | |
|---|---|---|
| 58-34(f) | Fine: $75 | Appearance: NOT REQUIRED |

## §58-35 Vehicle Equipment – Partitions

(a) *Partition Required.* (1) A Taxicab must be equipped with a partition unless exempt from the requirement.

(2) An Owner must ensure that all Taxicabs, except as provided in subdivision (b) of this section, are equipped with a partition that meets the specifications set forth in §67-10 of these Rules, and with provision for air conditioning for the rear passenger compartment, as set forth in §67-14.

| | | |
|---|---|---|
| §58-35(a) | Fine: $300 and suspension until the condition is corrected | Appearance REQUIRED |

(b) *Owner-Drivers Exemption from Partition Requirement*. [NOTE: This Exemption is NOT available to the Owner of a Taxicab Hacked-up with an Official Taxicab Vehicle.] An Owner of an Independent Medallion Taxicab or a Business Entity owning one or more Medallions will be exempt from the provisions of subdivision (a) provided all of the following five conditions are met:

(1) The Taxicab is driven only by the Owner(s) of the Medallion (including a Business Entity Person of a Business Entity Owner).

(2) The Rate Card lists only the persons named above in paragraph (1) as Named Driver(s).

(3) The Taxicab is equipped with the following:

(i) The required Trouble Lights

(ii) A cellular telephone with an emergency dialing feature.

(iii) A camera approved by the Commission

(4) The Owner has not previously been found in violation of this rule with respect to the subject Medallion.

(5) The Owner has applied for and received a certification of exemption from the Commission.

(c) *Exception to Exemption.* Even if the Owner meets all the conditions for an exemption, if a partition is the only approved location for display of the Rate Card and Driver License in a particular model of automobile, then a partition is required.

(d) *Curtain Airbags Modification (Not Applicable to Official Taxicab Vehicles or Accessible Official Taxicab Vehicles).*

(1) A Taxicab that is equipped with factory installed curtain airbags will be equipped with a modified partition that does not extend the full width of the interior of the Taxicab.

(2) The modified partition instead must allow a space of six inches at each side, sufficient to permit proper deployment of the curtain airbags.

(3) The modified partition must conform in all other respects with the applicable requirements of §67-10 of these Rules.

| | | |
|---|---|---|
| §58-35(d) | Fine: $300 and suspension until the condition is corrected | Appearance REQUIRED |

## §58-36 Vehicle Equipment – In Vehicle Camera System (IVCS)

(a) When an existing in-vehicle camera system is required to be replaced or when the system is installed, the Taxicab must be equipped with an IVCS that meets the specifications of §67-12; the system must be installed and maintained by the manufacturer's authorized installer or a Taximeter Business that meets the requirements of §67-12 of these Rules; and the IVCS must be functioning and maintained in good working order.

| | | |
|---|---|---|
| §58-36(a) | Fine: $350 if plead guilty before a hearing and supply a condition corrected form issued by TLC's Safety and Emissions Division; $450 if found guilty following a hearing. Summary Suspension until the condition is corrected. | Appearance NOT REQUIRED |

(b) Each Taxicab equipped with an IVCS must be equipped with a cellular telephone as set forth in subdivision (b) of this section.

| | | |
|---|---|---|
| §58-36(b) | Fine: $50 | Appearance NOT REQUIRED |

(c) Each Taxicab equipped with an IVCS must display decals on each rear passenger window, visible to the outside, that contain the following information: "This vehicle is equipped with camera security. YOU WILL BE PHOTOGRAPHED."

| | | |
|---|---|---|
| §58-36(c) | Fine: $50 | Appearance NOT REQUIRED |

## §58-37 Vehicle Equipment – Taximeters

(a) *Taximeter Requirements.* An Owner must equip the Taxicab with a Taximeter subject to the following conditions:

(1) The Taximeter must be of a make and type acceptable to the Commission.

| | | |
|---|---|---|
| §58-37(a)(1) | Fine: $50 | Appearance NOT REQUIRED |

(2) It must be affixed to the vehicle's dashboard so that it is clearly readable and visible to all passengers in the vehicle.

| | | |
|---|---|---|
| §58-37(a)(2) | Fine: $50 | Appearance NOT REQUIRED |

(3) The Taximeter's serial number must be the same as that shown on the Rate Card assigned to the Taxicab; or entered on the Rate Card by a Licensed Taximeter shop.

| | | |
|---|---|---|
| §58-37(a)(3) | Fine: $500 | Appearance NOT REQUIRED |

(4) The Taxicab tire size must be the same as that for which the Taximeter is calibrated, as indicated by the Rate Card.

| | | |
|---|---|---|
| §58-37(a)(4) | Fine: $50 | Appearance NOT REQUIRED |

(5) All Taximeter seals must be installed by a Licensed Taximeter repair shop or agent of the Commission.

| | | |
|---|---|---|
| §58-37(a)(5) | Fine: $500 | Appearance REQUIRED |

(6) The wiring harness leading from the Taximeter to the speed sensor must be of one piece construction with no intervening connectors, splices, "Y" connections, or direct or indirect interruptions or connections of any kind whatsoever.

| | | |
|---|---|---|
| §58-37(a)(6) | Fine: $500 | Appearance REQUIRED |

(b) *Accuracy of Taximeter*. A Taxicab must be equipped with a Taximeter that is in good working condition and will accurately compute the rate of fare currently established by the Commission. Penalties for violation are as follows:

(1) *1% Inaccurate.* The penalty is $50, if the Taximeter is found to be at least 52.8 feet (one percent) inaccurate, but less than 264 feet (five percent) inaccurate in computing distance, or more than one percent but less than five percent inaccurate in computing time.

(2) *5% Inaccurate.* The penalty is $200, if the Taximeter is found to be at least 264 feet (five percent) inaccurate but less than 528 feet (ten percent) inaccurate in computing distance, or more than five percent but less than ten percent inaccurate in computing time.

(3) *10% Inaccurate.* The penalty is $300, if the Taximeter is found to be at least 528 feet (ten percent) inaccurate in computing distance or ten percent inaccurate in computing time, for a first violation.

(4) *Repeated 10% Inaccuracy.* The penalty is $600, if the Taximeter is found to be at least 528 feet (ten percent) inaccurate in computing distance or ten percent inaccurate in computing time, for a second or subsequent violation within thirty-six months.

**§58-38 Vehicle Equipment – Taximeter Defects**

(a) *No Defects in Taximeter or Installation.* A Taxicab must not be in service for hire with a defective Taximeter or a Taximeter that has been improperly installed.

(b) *Repair or Replace Defective Taximeter*. Whenever a Taximeter or its installation is defective or whenever a Taximeter computes an inaccurate rate of fare, the Owner must have the Taximeter:

(1) Repaired, tested and certified at a licensed Taximeter Business, or

(2) Replaced by the Taximeter Business with an approved Taximeter that has been inspected, tested and sealed;

(c) *Assembly Must be Certified.* After repair or replacement of the Taximeter, the Taximeter/vehicle assembly must be tested and certified in compliance with Commission regulations.

| | | |
|---|---|---|
| §58-38(a)-(c) | Fine: $100 | Appearance NOT REQUIRED |

(d) *Repairs by Licensed Agent.* No adjusted, repaired or recalibrated Taximeter or appurtenance of a Taximeter can be installed in a Taxicab unless the adjustment, repair or recalibration was done at a licensed Taximeter repair shop or other authorized facility; the Owner is responsible for any installation that violates this rule.

| | | |
|---|---|---|
| §58-38(d) | Fine: $75 | Appearance NOT REQUIRED |

## §58-39 Vehicle Equipment – Taximeter Tampering

(a) *Unauthorized Tampering.* Unless authorized by the Commission, no person will tamper with, alter, repair or attempt to repair any portion of the Taximeter system that would affect the operation of the Taximeter or the Taxicab Technology System, including, but not limited to:

(1) The Taximeter

(2) The Taxicab Technology System

(3) Any seal affixed to the Taxicab by a licensed Taximeter repair shop or other authorized facility

(4) Any cable connection or cable system electrical wiring

(5) The vehicle's mechanism or its tires

(b) *Owner's Responsibility.* The Owner is responsible for any tampering, alteration or any unauthorized repair or attempt to repair.

| | | |
|---|---|---|
| §58-39(a) & (b) | Fine: $250 – 1,500 and/or suspension up to 30 days. Summary suspension until compliance under to §68-22 of this title | Appearance N/A |

(c) *Owner's Defense.* It will be an affirmative defense to a violation of this section that the Owner:

(1) Did not know of or participate in the alleged tampering of the Taximeter or T-PEP; and

(2) Exercised due diligence to ensure that tampering with the Taximeter or T-PEP does not occur. Examples of an Owner's due diligence include, but are not limited to:

(i) Clearly warning Drivers that if they violate the Taximeter or T-PEP tampering rules, Owner will:

A. Immediately terminate any lease agreement Owner has with the Driver; and

B. Report the tampering violation to the Commission, which will result in the probable revocation of their Taxicab Driver's License;

(ii) Including the warning against violating the Taximeter and T-PEP tampering rules as a provision in any written lease agreement;

(iii) Stamping the warning against violating the Taximeter and T-PEP tampering rules on any written Trip Records whenever paper Trip Records must be issued to one or more Taxicab Drivers;

(iv) Conducting periodic random comparisons of the odometer and the Taximeter mileage readings of a Taxicab to check for any inappropriate disparities;

(v) Conducting periodic random inspections of the Taximeter and the T-PEP system in all the Owner's Taxicabs to detect any evidence of tampering; and

(vi) Having all of the Owner's Taxicabs inspected by a licensed Taximeter shop once every inspection cycle.

(d) *Notify the Commission of Tampered, Unauthorized or Removed Taximeter***.** An Owner must notify the Commission by telephone immediately, and in writing within 24 hours, upon discovering any of the following:

(1) Any Taximeter other than the Taximeter approved by the Commission (as indicated on the Rate Card) has been installed in the Owner's Taxicab;

(2) Any Taximeter seal in the Owner's Taxicab has been removed or tampered with;

(3) Any unauthorized device has been connected to any Taximeter, any seal, cable connection or electrical wiring, in the Owner's Taxicab, which can affect the operation of the Taximeter;

(4) Any intervening connections, splices, "Y" connections or direct or indirect interruptions or connections of any kind whatsoever have been discovered on any wiring harness attached to the Taximeter in the Owner's Taxicab.

| | | |
|---|---|---|
| §58-39(d) (1)-(4) | Fine: $500-$1,000 and/or suspension up to 60 days or revocation | Appearance REQUIRED |

(e) *Inspections by Authorized Person***.**

(1) A Taxicab's Taximeter must be tested for accuracy over a measured mile course and its installation must be tested for compliance with the rules of the Commission.

(2) Only personnel authorized by the Commission can perform these tests.

(3) These two inspections must be completed and the results of the tests indicated on the Rate Card in each of the following circumstances:

(i) At least once every 12 months.

| | | |
|---|---|---|
| §58-39(e) (3)(i) | Fine: $150 if plead guilty before a hearing; $200 if found guilty following a hearing. | Appearance NOT REQUIRED |

(ii) Whenever a Taximeter is installed in a vehicle

| | | |
|---|---|---|
| §58-39(e) (3)(ii) | Fine: $100 | Appearance NOT REQUIRED |

(iii) When the transmission or differential is altered, repaired or replaced

| | | |
|---|---|---|
| §58-39(e) (3)(iii) | Fine: $50 | Appearance NOT REQUIRED |

(iv) When a change is made in any other part of the Taxicab that can affect the Taximeter reading

| | | |
|---|---|---|
| §58-39(e) (3)(iv) | Fine: $50 | Appearance NOT REQUIRED |

(v) At any other time required by the Commission

| | | |
|---|---|---|
| §58-39(e)(3)(v) | Fine: $100 | Appearance NOT REQUIRED |

## §58-40 Vehicle Equipment – Taxicab Technology System (T-PEP) Installation

(a) *Taxicab Technology System*. The T-PEP is a system of hardware and software that electronically provides the following four Core Services in the Taxicab vehicle:

(1) The ability for passengers to pay using a debit, credit or prepayment card

(2) The ability for Drivers to send and receive text messages

(3) The ability to record, collect and transmit Trip Record data

(4) The ability to provide passengers with information through a rear seat monitor screen (a Passenger Information Monitor or PIM) including:

(i) A map of the route being traveled

(ii) Public service announcements, including information about the Taxicab fares and passenger Bill of Rights

(iii) Limited commercial advertising and sponsorships

(iv) Directions on how to turn off all audio and visual presentations

(b) *Required Installation.* Owners must ensure that all of their Taxicabs are equipped with the T-PEP provided by an Authorized T-PEP Provider, and otherwise meet the requirements of these provisions.

| | | |
|---|---|---|
| §58-40(b) | Fine: $1,000 and suspension until compliance | Appearance REQUIRED |

## §58-41 Vehicle Equipment – Taxicab Technology System (T-PEP) Operation

(a) *Good Working Order.* Owners must ensure that the Taxicab Technology System equipment is constantly maintained, is in good working order, and that each of the four core services functions properly.

| | | |
|---|---|---|
| §58-41(a) | Fine: $150 if plead guilty before a hearing and supply a condition corrected form issued by TLC's Safety and Emissions Division; $200 if found guilty following a hearing. Summary Suspension until the condition is corrected. | Appearance NOT REQUIRED |

(b) *Failure to Operate.*

(1) If the T-PEP malfunctions or fails to operate, an incident report must be filed with the authorized T-PEP Provider within two hours following the discovery of the malfunction or at such time as the Owner reasonably should have known of the malfunction.

(2) If the Driver or Owner's Agent filed the incident report, the Owner will not be required to file a separate incident report but must verify the filing by obtaining the incident report number.

(3) The Owner or Owner's Agent must meet the appointment for repair scheduled by the T-PEP Provider following the incident report.

(c) *48-Hour Repair Deadline.* A Taxicab in which any of the Four Core Services of the Taxicab Technology System or any material feature of a Core Service is not functioning must not operate more than 48 hours following the timely filing of an incident report.

| | | |
|---|---|---|
| §58-41(c) | Fine: $250 and suspension until compliance | Appearance REQUIRED |

(d) *Inspection upon Multiple T-PEP Malfunctions.* The Owner of any Taxicab requiring six or more repairs of the Taxicab Technology System in any 30 day period must promptly take the vehicle for inspection to, or schedule an inspection with, the Commission's Safety and Emissions Facility. This requirement will not apply to the Owner if compliance is made by the Driver or Agent of the vehicle.

| | | |
|---|---|---|
| §58-41(d) | Fine: $250 | Appearance REQUIRED |

## §58-42 Vehicles – Use of Stand-by Vehicles (SBV)

(a) *Who Can Use.* Only a Fleet can maintain and use Stand-By Vehicles.

(b) *When Used.* A Stand-by Vehicle can be used in place of a currently Licensed Taxicab only in the following circumstances and for the length of time indicated below:

(1) When the currently Licensed Taxicab is out of service for repairs or for required inspection, until the repairs or inspection have been completed

(2) When a Vehicle has been stolen, for no more than 30 days after the date stolen

(3) When a vehicle has been permanently retired from service, for no more than 30 days from the date of retirement

(c) *Maximum Number of Stand-By Vehicles.* A Fleet can maintain Stand-by Vehicles equal to 10% of the total number of current Medallion Taxicabs owned or operated by the Fleet.

(d) *Medallion to be Transferred to Stand-By Vehicle*. When a Stand-by Vehicle is Dispatched, the Medallion and Medallion number in the Roof Light of the out-of-service Taxicab must be transferred to the Stand-by Vehicle.

(e) *Required in the Stand-By Vehicle.* A Stand-by Vehicle must not be Dispatched unless the SBV transfer form and the SBV Rate Card are present in the vehicle.

| | | |
|---|---|---|
| §58-42(a)-(e) | Fine: $50 – 350 and/or suspension up to 30 days. | Appearance REQUIRED |

## §58-43 Medallion Transfers – Overview

(a) *Applicability of the "Medallion Transfer" Sections.*

(1) The "Medallion Transfers" sections of this Chapter, along with "Licensing" §58-04 and §58-05, establish the rules for all Transfers of a Taxicab Medallions between/among private parties, either by:

(i) Purchase

(ii) Gift

(iii) Bequest, or

(iv) Operation of law

(2) These provisions do *not* apply to the sale or resale of Medallions by the Commission, as described in Chapter 65.

(3) Except where the provisions specifically reference Secured Lenders, these provisions do not apply to Secured Lender Recipients.

(b) *Overview of Requirements to Complete and Effect Transfer*. The transfer of an interest in a Taxicab Medallion will be complete and effective upon all of the following:

(1) *Commission Approval.* Commission approval of the Transferee's application

(2) *Proper Appearances.* All persons described in §58-44(a) below must appear before the Commission.

(3) *Transfer Tax Payment*. A Transferee of a Taxicab Medallion must satisfy his or her transfer tax liability as determined by the NYC Department of Finance, prior to or at the time of transfer.

(4) *Fulfillment of the Licensing Requirements.* The parties to the transfer must fulfill the Licensing requirements set forth in §58-04 and §58-05 of this Chapter.

(5) *Fulfillment of Tort Liability Requirements.* The parties to the transfer must fulfill the Tort Claim liability requirements set forth in §58-47, below.

(6) *Fulfillment of the Medallion Clearance Requirements.* The parties to the transfer must fulfill the applicable Medallion Clearance Requirements set forth in §58-46 below.

(7) *Medallion Put into Service*. Each Transferee, as well as any Administrator seeking to operate a Medallion under §58-48 below, must place the Medallion in service with a Hacked-up Taxicab vehicle within seven days of approval of the approval of the application.

| | | |
|---|---|---|
| §58-43(b)(7) | Fine: $250 | Appearance NOT REQUIRED |

(c) *Comply with Transfer Provisions.*

(1) No person or entity is permitted to attempt to transfer or participate in the transfer of an interest in any Taxicab Medallion without fulfilling the requirements of subdivision (b) above, as applicable.

(2) The mere act of submitting a transfer application to the Chairperson will not be considered as a violation of this subdivision.

| | | |
|---|---|---|
| §58-43(c) | Fine: $10,000 per entity, per Medallion and attempted transfer invalid, applicable to any person or persons (transferor, transferee or both) whose actions constituted a violation;<br>Revocation may be ordered. | Appearance NOT REQUIRED |

## §58-44 Medallion Transfers – Special Requirements

(a) *Personal Appearance.*

(1) All Transferees or Administrator applicants seeking to operate a transferred Medallion must appear in person as directed by the Chairperson.

(2) If the Transferee applicant is a Business Entity, the following Business Entity Persons must appear in person before the Commission:

(i) All individual shareholders of a corporate entity

(ii) All general partners of a partnership entity

(iii) All members of a Limited Liability Company

(3) *Exception to Personal Appearance Requirement.* A power of attorney can appear and represent any Applicant or Business Entity Person of a Business Entity Applicant who:

(i) Holds an existing, continuing License from the Commission, and

(ii) Has an electronic fingerprint record on file with the Commission, made not earlier than one year prior to the date of the transfer

(b) *Transfers During and After Pending Judgment.*

(1) No voluntary transfer or sale of an interest in a Taxicab License can be made if a judgment docketed with the clerk of court of any county within the City of New York remains unsatisfied against the Licensee and in favor of any state, federal or New York City government agency unless:

(i) A bond is filed in an amount sufficient to satisfy the judgment,

(ii) All the judgment creditors of a Licensee file written permission for the transfer, or

(iii) The proceeds from the transfer are paid into court or held in escrow, on terms and conditions approved by the Commission, to protect the rights of all parties that can have a legitimate interest.

(2) An Owner's interest a Taxicab License can be transferred involuntarily and disposed of by public or private sale in the same manner as personal property. In that event:

(i) Owner's License will be immediately cancelled,

(ii) A new License will be issued to the new owner when the Transfer is properly approved and the transfer is effective, and

(iii) If the transfer is by reason of a tort judgment against the involuntary Transferor, no bond need be provided with respect to that judgment.

(c) *Voluntary Transfer During Revocation Proceedings.*

(1) The Owner must not transfer his Taxicab License after the commencement of revocation proceedings without the written permission of the Chairperson.

(2) The Chairperson can also require that no relative of the Medallion Owner or any other person or entity affiliated with the Owner receive the Taxicab License.

(3) The Chairperson can also require an escrow be held in an amount to be determined by the Chairperson after an approved closing in order to satisfy any fines subsequently levied against the Owner.

(d) *Preserve Medallion Category*

(1) A transfer of an Independent Medallion will be made only to an approved individual or Business Entity that does not own any interest in any other Medallion; similarly, the transfer of a Minifleet Medallion will be made only to a Transferee approved to own and operate a Fleet or Minifleet.

(2) An Independent Medallion Owner must not have a financial interest in any other Taxicab.

(3) A Minifleet Medallion Owner must not have a financial interest in any Independent Medallion Taxicab.

(4) For the purpose of this subdivision (d), "financial interest" will mean an ownership interest or an interest received as a pledge or security or subject to a security agreement to secure financing.

(e) *Additional Requirements for Transfers Made by Conditional Sales Agreements.* Where an interest in a Medallion is acquired through a conditional sales agreement, the following requirements apply:

(1) The parties must provide the Commission with a disclosure statement indicating the terms of the agreement.

(2) The seller must remain liable for any fines or penalties imposed against the Taxicab License for violations occurring during the term of the agreement, unless they are paid by the purchaser.

(3) The seller must notify the Commission in writing if the seller repossesses the Taxicab within 72 hours of the sale (exclusive of weekends and holidays).

(4) The parties to a conditional sales agreement are subject to the Lease Cap provisions in §58-21 of this Chapter.

(5) No conditional transfer shall be effective until the parties have completed all the requirements for transfer required by this Chapter.

**§58-45 Medallion Transfers – Application Documentation and Requirements.**

(a) *Application.* An Applicant/Transferee must file a completed application in the form prescribed by the Chairperson.

(b) *Payment of Fees.* An Applicant/Transferee must pay the following fees:

(1) A transfer fee of Fifty Dollars ($50).

(2) An administrative charge of $160.

(3) The licensing and inspection fees required under §58-07 of this Chapter.

(c) *Proof of Identity.* An individual Transferee and all Business Entity Persons of a Business Entity Transferee must:

(1) Provide proof of identity in the form specified in §58-04(a) of this Chapter, and

(2) Disclose any trade name under which the Transferee intends to operate.

(d) *Owner-Must-Drive Proof.* If the Transferee is acquiring an interest in a Medallion from an Independent Taxicab Owner, Transferee must provide the

Valid License number of the person who will fulfill the service requirements of the Owner-Must-Drive Rule in §58-05(d).

(e) *Proof of Vehicle Ownership.* Transferee must provide proof that Transferee has or will have an appropriate vehicle, by providing either:

(i) A bill of sale of a vehicle eligible to be used as a Taxicab (*see Chapter 67, Taxicab Hack-Up),* or

(ii) An affidavit specifying that the Transferee will have a vehicle to be used as a Taxicab within the seven days following the effective date of the transfer (*see §58-43(b)(7), above*).

(f) *Payment of Fines and Fees*. An Applicant/Transferee must provide proof of payment of any outstanding fines or fees owed to the Commission, the Parking Violations Bureau (or their successors) by the Transferee or any Business Entity Persons of a Business Entity Transferee.

(g) *Source of Funds.*

(1) An Applicant/Transferee must provide documentation in a form satisfactory to the Chairperson detailing the sources of the funds, if any, Transferee is using to purchase the Medallion, including:

(i) Copies of bank account passbooks or bank statements;

(ii) Affidavit explaining cash sums and deposits over $10,000 paid to or by the Transferee within six months prior to the date of submission of this documentation;

(iii) Affidavits from donors of any gifts;

(iv) Statements from secured and/or unsecured lenders detailing amounts lent, security if any, and terms of payment; and

(v) Copies of IRS Form 8300 filed by any Broker in connection with funds received in the context of the transaction.

(2) If the transfer is by gift or is for less than Market Value, the Transferee must produce a waiver letter from the NYC Department of Finance along with any documentation referred to in the waiver.

(h) *Additional Documents Required from Corporate Transferee Applicants.* Any corporate Applicant/Transferee or any Applicant seeking to purchase an interest in a corporation must provide, for that corporation:

(1) All newly formed corporations must include a copy of the certificate of incorporation and the filing receipt of the certificate of incorporation.

(2) Established corporations can include the documents described in (i) above alternatively, they can include a certified copy of the certificate of incorporation.

(3) All corporations must include a copy of the resolution or action by the incorporators, shareholders or directors electing officers of the corporation.

(4) All corporations must include a list of stockholders, with the number of shares owned by each.

(i) *Additional Documents Required for Partnerships.* Any partnership Transferee Applicant or any Applicant seeking to purchase an interest in a partnership must provide for that partnership:

(1) A copy of the certificate of partnership

(2) A list of the partners, including the percentage owned by each

(j) *Additional Documents Required for Limited Liability Companies.* Any LLC Transferee Applicant or any Applicant seeking to purchase an interest in an LLC must provide for that LLC:

(1) A copy of the articles of organization

(2) A copy of the operating agreement

(3) A list of the members, with the percentage owned by each.

(k) *Additional Document Required from a Foreign Business Entity.* Any Business Entity not organized under the laws of the State of New York must also provide proof of authorization to operate in New York.

(l) *Documents Required from a Secured Lender Recipient.* If the transfer is the result of a foreclosure or similar action by a creditor, the following documents must be provided:

(1) A hypothecation agreement, stock pledge or stock pledge agreement if the transfer is occurring by transfer of, or foreclosure upon, stock;

(2) A UCC Article 9 Foreclosure "Affidavit of Disbursements" showing that all claims have been satisfied or will be satisfied or acceptable documentation regarding any claims not satisfied;

(3) Copies of UCC-1 filings (including file stamp or file number) filed against the former Owner or Owner's interest in the Medallion;

(4) Copies of all security agreements involved in the transfer in respect of the lenders' interests in the Medallion;

(5) A bill of sale, if any, or proof of other transfer in connection with any security agreement;

(6) If the Medallion was sold in an auction, proof of advertisement of the auction together with the attendance sheet;

(7) If the Medallion was sold outright, a copy of the Notice of Sale.

(m) *Affidavits Required by the Commission.* Transferees must provide:

(1) An affidavit or affirmation under penalty of perjury, in a form approved by the Chairperson, that the Applicant does not rely upon the actions or determination of the Commission with respect to the Medallion; and

(2) Any other affidavit or affirmation regarding documentation required by the Chairperson.

(n) *Lien Searches*. An Applicant/Transferee must submit with the application:

(1) Copies of a NYS UCC lien search of the Transferor/Owner,

(2) Copies of a lawsuit and judgment search for all counties in which the transferor has been domiciled for the shorter of (i) five years, or (ii) length of time the transferor has owned the Medallion being transferred,

(3) Copies of all active records found in the search, and

(4) An affidavit or affirmation, under penalty of perjury, from the Applicant/Transferee and the transferor warranting that:

(i) They have reviewed and are familiar with the contents of all of the searches

(ii) All disclosed liens and judgments will be:

A. Satisfied prior to or from the proceeds of the transfer

B. Included in the escrow amount, or

C. Assumed by the Applicant

(o) *Tort Letters to Establish Escrow Amount.* The application of any Transferee subject to the Tort Liabilities rules in §58-47 below (and except as excused in §58-47(d)) must include all of the following:

(1) All Tort Letters from the transferor's insurer(s) during the shorter of

(i) Six years, or

(ii) The length of time the transferor has owned the Medallion up to and including the date the Medallion is put into storage or the date prior to the effective date of transfer

(2) Any documentation that may be required regarding any potential Excess Claims that the Tort Letters may disclose.

(3) Any information held by the Applicant/Transferee or transferor regarding any potential Excess Claims.

(4) Any other information held by the Applicant/Transferee or Transferor that might be necessary to determine the Escrow Amount.

(p) *Transferring T-PEP*. The application must include the following information regarding T-PEP:

(1) *Proof of Notice to T-PEP Provider*

(i) The Transferor must provide proof that notice of the transfer has been sent to the T-PEP provider that holds the contract to provide the T-PEP for the Medallion being transferred.

(ii) The notice must be:

A. Sent at least 30 days prior to the proposed date of transfer (NOTE: The TPEP Provider can waive the 30-day requirement by signing the form)

B. Sent by certified mail, return receipt requested, and

C. Sent to the address specified in the contract

(iii) Proof of notice will be:

A. A copy of the Notice

B. A copy of the certified mail receipt, and

C. An affidavit or affirmation under penalty of perjury verifying the mailing

(2) *Transferor's Statement of Intent.* The Transferor must use a form approved by the Chairperson to:

(i) Provide a statement of Transferor's intent to

A. Cancel the contract with the T-PEP Provider or

B. Assign the contract to the Transferee

(ii) Provide a statement of Transferor's intent to:

A. Return the T-PEP equipment to the T-PEP Provider,

B. Retain the T-PEP equipment, or

C. Transfer the equipment to the Transferee

(3) *Transferee's Statement of Intent.* The Transferee must use a form approved by the Chairperson to provide a statement of Transferee's intent to:

(i) Assume the Transferor's contract with the T-PEP Provider, or

(ii) Identify the approved T-PEP Provided with which the Transferee intends to use to provide T-PEP.

(q) *Other Documentation.* The Applicant must provide any other documentation required by the Chairperson in order to assist in the Chairman in determining whether the proposed Transferee meets the criteria for licensing and ownership of a Taxicab Medallion.

**§58-46 Medallion Transfers – Transferor Must Clear the Medallion.**

(a) *Place in Storage.* Before a Medallion can be transferred, it must be placed in storage for at least seven days not counting the day it is put in storage or the day the clearance is given. (*Exception:* A Medallion owned by a corporation or LLC need not be placed in storage if the transfer is to be accomplished by a transfer of stock or membership interests in the company.)

(b) *Clear All Open Items.* All open items against the Medallion Owner/Transferor (including any Business Entity Person of the Owner) must be cleared, including but not limited to summons issued by the Commission, outstanding fines and penalties owed to the Commission or the Parking Violations Bureau (or their successors), incomplete License renewal requirements, and violations against the Taxicab Drivers License.

(c) *Requirements of Secured Lenders.* Any secured lender that obtains possession of a Medallion through foreclosure, repossession or in any similar manner, must place the Medallion in storage with the Chairperson.

**§58-47 Medallion Transfers – Tort Claims**

(a) *Applicability.*

(1) This §58-47 applies:

(i) To all Transferees other than Administrators and Legatees.

(ii) To all Transferors other than an Administrator/operator making a distribution to a Legatee.

(2) This §58-47 does *not* apply to Secured Lender Recipients.

(b) *Provisions for Satisfaction of Tort Liabilities.*

(1) The parties to any applicable transfer must prove that provisions have been made to satisfy all outstanding tort claims against the Transferor of the Taxicab Medallion.

(2) This can be accomplished either by:

(i) Posting a bond with the Chairperson to cover all outstanding tort liabilities; or

(ii) Establishing an escrow account in the Escrow Amount (not exceeding the Maximum Escrow Amount), determined as described in subdivision (c) below.

(3) No transfer of the Taxicab Medallion(s) can occur until:

(i) The bond is posted

(ii) The Escrow Amount is established and the escrow agent has given an undertaking to the Chairperson to establish and hold the escrow account on the terms required by this §58-47 and to notify the Chairperson within five days after the escrow account has been established, or

(iii) It is determined by the Chairperson that neither a bond nor an escrow account is required.

(4) Secured Lender Recipients must create an escrow account in the amount of the Secured Lender Escrow Amount.

(c) *Determining the Amount of the Escrow Account.*

(1) *Identify Potential Claimants.* The Transferor must identify the holders of all potential Excess Claims, by obtaining and reviewing the following sources of information:

(i) All Valid Claim Letters held in Commission files

(ii) Prior Claim Letters held in Commission files

(iii) Tort Letters

(iv) Potential claims revealed through the lien, judgment and lawsuit searches required under §58-45(n), above.

(2) *Notify Potential Claimants.*

(i) The Transferor must provide adequate mail notice, as described in subdivision (3) below, to the holder of each potential Excess Claim. The notice must state the following:

A. Whether the Transferor believes the holder's claim is a potential Excess Claim and the dollar amount (including $0) that Transferor proposes to establish for that claimant's claim.

B. That the claimant has 30 days from the date of the notice to object to the amount by sending a written response to the Transferor (with a copy to the Commission, attention Legal Department Transfer Division); the response must state the basis for claimant's objection to the proposed Escrow Amount.

C. That if the Commission does not receive the claimant's objection within the 30 day period, the Commission will consider the claimant to have accepted the Transferor's proposal regarding the Escrow Amount to be established for the claim.

D. That claimant's acceptance of or failure to object to the Transferor's proposed Escrow Amount will not affect any rights, claims or remedies the claimant has directly against the Transferor.

(ii) If the Commission does not receive the claimant's objection within 30 days from the date of the notice, the Commission will consider the claimant to have accepted the Transferor's proposal regarding the Escrow Amount to be established for the claim.

(3) *Adequate Mail Notice to Potential Claimants.* Transferor's notice to potential claimants must be sent by certified mail, return receipt requested, with a copy also sent by regular mail and a copy sent to the Commission, attention "Legal Department Transfer Division," as follows:

(i) For potential claimants disclosed by the lien, judgment and lawsuit searches required under §58-45(n) above, adequate notice will be considered given if the following steps are taken:

A. Notice is sent to the address for the claimant disclosed by the search

B. If this mailing is returned as non-deliverable, the notice is sent to any other address for the claimant or claimant's attorney of record disclosed by the search

(ii) For potential claimants disclosed by a Prior Claim Letter or a Valid Claim Letter, adequate notice will be considered given if the following steps are taken:

A. Notice is sent to the sender of the letter and

i. To the claimant at the address disclosed in the letter, or

ii. If no address for the claimant is disclosed, to whatever address the sender provides in the letter

B. If these mailings are returned as non-deliverable, notice must be sent to any subsequent address provide for claimant by:

i. The sender of the letter, or

ii. The recipient of the notice at the subsequent address of a further address for claimant

(iii) For potential claimants disclosed by a Tort Letter, adequate notice will be considered given if the following steps are taken, as necessary:

A. Notice is sent to the address disclosed in, by or through the Tort Letter or to any counsel of record disclosed in, by or through the Tort Letter

B. If neither the claimant's address nor counsel of record is disclosed by the Tort Letter, Transferor must consult with the insurers providing the Tort Letter to ascertain an address for claimant or for claimant's counsel of record and notice must be sent to any address provided by the insurer

C. If a recipient of the notice at this address (or any subsequent recipient who is neither the claimant or claimant's counsel) provides a subsequent address for claimant or claimant's counsel, notice must be mailed to all subsequently provided addresses

D. If no address can be obtained for the claimant or claimant's counsel or representative, public notice of the contents of the notice must be placed in the *New York Times* and *The New York Law Journal* as a public notice for one business day.

(iv) The Transferor must provide the Chairperson with proof of all mailings by providing:

A. A copy of the mailing receipts

B. An affidavit or affirmation under penalty of perjury verifying the mailings.

(4) *Response to Claimant's Objection*. If a claimant sends a timely objection, the Chairperson will refer the matter to OATH to determine the amount of claimant's claim to be included in the Escrow Amount.

(i) OATH's rules of practice will govern the proceedings and OATH will apply principles of tort law.

(ii) For the purposes the this proceeding, the OATH terminology will apply as follows:

A. The claimant will be considered to be the "Petitioner"

B. The response sent by claimant objecting to the proposed Escrow Amount will be considered to be the "Petition"

C. Transferor will be considered the "Respondent"

D. Transferor's original notice to claimant will be considered to be the "Answer."

(5) *Settling the Escrow Amount by Agreement.*

(i) At any time, the Transferor and claimant can agree on the amount of the claim to be used in establishing the Escrow Amount for the claim.

(ii) If the parties reach an agreement, it must be verified in writing and signed by both parties with a copy provided to the Chairperson.

(6) *Finalizing the Escrow Amount.* If the parties have not reached agreement:

(i) The Chairperson will make a final determination of the required Escrow Amount for each claim, as follows:

A. Any Escrow Amount determined by OATH will be the Escrow Amount for that claim;

B. When the claimant has not objected, the Chairperson's determination will be based on the Transferor's proposed Escrow Amount for the claim;

C. If the claimant and the Transferor have come to a written agreement, the Chairperson's determination will be based on that agreement.

(ii) The Chairperson's determination will be a final agency determination regarding Escrow Amount(s) for the purpose of transferring the Medallion, but is not and is not intended to determine the actual merits of the claim(s).

(d) *When the Escrow Amount Cannot Be Reasonably Determined.*

(1) If Tort Letters cannot be obtained for all or any part of the period for which they are required to be provided (*see §58-45(o) above)* the Escrow Amount will be as follows:

(i) When a Secured Lender Recipient is foreclosing on a Taxicab License and the transfer is occurring as a result of that action, the escrow account will be established in the amount of the Secured Lender Escrow Amount;

(ii) For all other applicable Transferors, the escrow account will be established in the Maximum Escrow Amount.

(2) An escrow account created with either a Secured Lender or Maximum Escrow Amount must be maintained for the shorter of:

(i) Six years following the date of transfer, or

(ii) As required by subdivision (e) below, provided that all Tort Letters have been obtained and Transferor has determined the appropriate Escrow Amount under subdivision (c) above.

(e) *The Escrow Account When Amount Is Determinable*

(1) *Creating the Escrow Account*

(i) Once the Escrow Amount has been determined, an escrow account in that amount will be established from the proceeds of the transfer or other resources of the Transferor and maintained until all claims represented in the account are satisfied or released, as described subdivision (2) below.

(ii) The Escrow Account can be held by either:

A. Counsel for the claimant,

B. Counsel for the Transferor, or

C. Otherwise as the claimant and Transferor agree

(iii) The parties must notify the Chairperson as to who is holding the account

(2) *Releasing Funds from the Escrow Account*

(i) Any person or entity seeking a release of funds from the escrow account must show that the claim is no longer outstanding by providing one of the following forms of evidence:

A. Proof of release of the claim

B. Proof of satisfaction of the claim

C. Proof of dismissal of the underlying claim

D. Agreement of the parties settling the claim

E. A court judgment directing payment of all or part of the Escrow Amount to a party

(ii) If the evidence is a court order, it must be a final order, fully executed and, if necessary, filed or entered.

(iii) No funds will be released from the escrow account without the prior written approval of the Chairperson.

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| §58-47(e) | Fine: $10,000 | Appearance NOT REQUIRED |

## §58-48 Medallion Transfers – Special Provisions Regarding Estates and Incompetency

(a) *Notice.* Notice of the death or the declaration of incompetency of a Medallion Owner must be given to the Chairperson promptly upon the occurrence. A Medallion Owner which is a Business Entity must also give prompt notice upon the death or the declaration of incompetency of a shareholder, partner, or member of a Business Entity.

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| §58-48(a) | Fine: $250 for failure to notify. | Appearance NOT REQUIRED |

(b) *Distribution of Interest in Medallion to Legatee.*

(1) *To A Legatee.* When a Medallion(s) or an interest in a company or corporation that owns a Medallion(s) is distributed from an estate, the Legatee recipient must qualify as a Transferee under the applicable rules in this Chapter 58, and must submit the following additional documents to the Commission:

(i) A certified copy of the death certificate of the former Owner listed with the Commission;

(ii) A certified copy of letters testamentary or letters of administration and for an estate not in New York, a certified copy of ancillary letters testamentary or letters of administration covering the estate's New York property, which letters:

A. Must have been issued no earlier than six months prior to the date of submission

B. Must be unqualified as to the amount of estate assets that the Executor is authorized to administer and distribute or, if the amount is qualified, it must be in excess of the value of the Medallion(s) to be operated or transferred

(iii) A certified copy of the will, if any.

(2) *Additional Requirements for Distribution to a Legatee in Trust.*

(i) An interest in a Medallion Taxicab can only be distributed to a Trust if the distribution is made to a trust for the benefit of a minor and:

A. The ownership interest is in the stock of a corporation, or

B. The interest is in membership of an LLC that owns one or more Medallions.

(ii) The ownership interest in the Taxicab Medallion must be distributed out of the trust within 60 days after the date on which the beneficiary reaches the age for ownership of a Taxicab Medallion (*see §58-04(b)*).

(iii) The beneficiary must apply and be approved as a Transferee under these Medallion Transfer rules before the transfer will be effective.

(iv) Notice must be given to the Chairperson promptly upon the beneficiary reaching the age for ownership of a Taxicab Medallion.

(c) *Additional Requirements for Temporary Operation of Medallion Taxicab*

(1) If an Owner of an interest in a Taxicab Medallion dies or is declared incompetent by a court of competent jurisdiction, the Medallion can

continue to be operated by an Agent for a period of up to 120 days following the date of death or declaration of incompetency.

(2) If, during the 120-day period, an Administrator is appointed, the administrator will have 60 days from the date of appointment to apply and be approved under the applicable Medallion Transfer rules to operate the Medallion; an Agent can continue to operate the Medallion during this 60-day period.

(3) If the decedent or incompetent Owner was an Independent Medallion Owner, the Owner-Must-Drive Rule (*see §58-05(d)*) will be waived for the 120-day period as well as during the 60-day period following the appointment of an Administrator, if the appointment occurs during the 120-day period; the Owner-Must-Drive rule *will* apply to an Administrator who is approved to operate the Taxicab.

(4) If no one has been approved by the Commission to operate the Medallion by the end of the 120-day period, the Medallion must be placed in storage until an Administrator or new person has qualified to operate the Medallion.

(5) If no Administrator, Legatee or other new owner associated with the estate has qualified to operate the Medallion by the end of the 180-day period from the date of the death or declaration of incompetency of the Owner:

(i) The interest in the Medallion must be transferred to a Transferee who has applied and been approved as a Transferee by the Commission.

(ii) The Medallion must remain in storage until the transfer is effective.

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| §58-48(c) | Revocation may be ordered if medallion operated beyond, or not transferred by, the periods specified. | Appearance NOT REQUIRED |