

Owner-Must-Drive Rule Revisions

April 21, 2011

Current Rules

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- Passed in 1990. Prior to this, there was no requirement for medallion owners to drive.
- Rules were passed to require owners to drive.
 - ▣ Better service and safer drivers
- Owners of independent medallions transferred on or after January 7, 1990 must drive 210 nine-hour shifts per year.
- Approximately 43% of today's taxi fleet are independent cabs and will, over time, become subject to this requirement.

Compliance Today

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- Based upon TLC and TPEP data, the agency has found a significant amount of noncompliance.
- In 2009, those charged with noncompliance who pled guilty received the minimum penalty (\$100).
- A settlement was reached in 2010, and the following fine schedule was agreed upon:

Shifts Driven per Calendar Year	Less than 50	51-100	101-210
Penalty	\$2,500	\$1,500	\$500

Basis of Review

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- Owner-drivers: better, safer service
- TPEP shows significant noncompliance
- Current rules are difficult to comply with, especially for long-serving drivers
- Rules should strike a balance between owner-driver advantages and needs of long-time owner-drivers

Ownership Requirement

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□ Current Rule

- ▣ One owner of the medallion (can be any owner if there are multiple owners) must fulfill complete requirement.

□ Proposed Rule

- ▣ Up to four owners combined must fulfill the service requirement.
- ▣ Each contributing owner must own at least 25% of medallion.
- ▣ Drivers who currently own less than 25% of a medallion will have one year to comply.
- ▣ Minimum driving requirement is not reducible for multiple owners.

Minimum Driving Requirement

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□ Current Rule

- ▣ 210 nine-hour shifts per year.

□ Proposed Rule

- ▣ Driving requirement prorated by month for each month of ownership.
- ▣ 180 nine-hour shifts per year for most owners.
- ▣ 150 seven-hour shifts per year for **single** owner who has:
 - Reached age 62 AND
 - Has **driven** medallion for at least 10 years

Penalties

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□ Current Rule

- \$100-350 and/or suspension for up to 30 days.

□ Proposed Rule

Shifts Missed per Calendar Year	More than 50	25-50	10-25	1-10
Penalty	\$10,000	\$7,500	\$6,000	\$1,000

- Penalty reduced to \$5,000 if cab was operated for at least 180 shifts, and shifts not driven by owner were driven by no more than two long-term drivers in any calendar year – **the long-term driver option.**
- Driving requirement waived for inheriting spouse for 180 days after the date of death; shift requirements prorated for year(s) of waiver.
- Foregoing penalties can also include discretionary revocation for falling more than 50 shifts below required annual total.

Long-Term Driver (LTD) Option

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- Medallion owner must qualify for this option:
 - ▣ Current owners: owned medallion for 2 years
 - ▣ Future buyers: owned and met OMD requirements for 10 years
- Notify TLC of long-term driver option; limited to 2 drivers in any calendar year
- A long-term driver:
 - ▣ Drives an average of 120 hours per month
 - Title owner of vehicle or lessee with conditional purchase agreement
 - ▣ Can be long-term driver on only one cab at any time

LTD Option: Hack License

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□ Current Rule

- Owner of independent medallion must have hack license.

□ Proposed Rule

- Owners of independent medallion as of date rule effective not required to have hack license if:
 - Have had hack license and met OMD requirements for at least two years and elect to pay the \$5,000 penalty.
- Buyers of independent medallions as of the date rule effective **MUST** have and maintain hack license.
 - Must have license to buy medallion.
 - Must fulfill OMD requirement for 10 years before electing to elect LTD option.

Grandfather Status

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□ Current Rule

□ Exempt from OMD if:

- Acquired medallion prior to 1/7/90
- Acquired medallion prior to 1/7/90 and subsequently formed a business entity with some or all original partners
 - Transfers of interests among original partners OK

□ Proposed Rule

- No change to current rule.

Waivers

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□ Current Rule

- For a limited time, for good cause shown

□ Proposed Rule

- Up to six months, extendable once for up to six months, for
 - Documented medical
 - Documented non-vacation travel
 - Documented US military service
- Waivers result in pro-rata reduction in annual requirement (ex: 2-month waiver means 150 shifts required)

New Vehicle on Transfer Requirement

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□ Current Rule

- In most cases a new vehicle is required to be hacked up once a medallion is transferred.

□ Proposed Rule

- Used car not at its retirement deadline may continue to be used by the buyer of an Independent Medallion who acquired the vehicle from the seller of that Independent Medallion and the vehicle has been operated with that Medallion by the seller.

Agents

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□ Current Rule

- OMD compliance: none

□ Proposed Rule

□ OMD compliance:

- Affirmative obligation that managed medallions comply
- Penalties of \$1,000-10,000 per medallion, suspension until compliance
- Directives terminate agency as to non-complying medallions
- Current OMD status of medallion posted on TLC website