

# Taxicab and Street Hail Livery Improvement Funds

## Report to City Council for 2023

Submitted on March 4th, 2024.

### Background

In 2014 the Taxi and Limousine Commission (TLC) passed rules to create the Taxicab Improvement Fund (TIF) and the Street Hail Livery Improvement Fund (SHLIF). The funds were created as part of an overall strategy by the agency to increase the number of accessible taxicabs. The agency goal is for 50% of the yellow taxi fleet to be accessible, and for over 20% of the green street hail livery (SHL) fleet to be accessible. The funds are financed through the assessment of a \$1 surcharge on every yellow and green taxicab trip.

### Collections

Starting January 1, 2015, the TLC began assessing a 30-cent surcharge paid by passengers on all taxicab trips. This surcharge was increased to \$1 per taxicab trip in December 2022 to keep the program properly funded. In March 2023, the process of withholding and remitting TIF and SHLIF surcharges was transferred to the Technology Service Providers (TSPs) and E-Hail Companies. These funds were previously collected by medallion owners, medallion agents, and SHL permit owners and remitted to the TLC monthly. TSPs and E-Hail Companies have 60 days to remit the funds collected to the TLC. Table 1 describes TIF and SHLIF collections as of July 31, 2023, respectively.

**Table 1: Taxi Improvement Fund (TIF) and Street Hail Livery Improvement Fund (SHLIF) Collections<sup>1</sup>**

Calendar Year	TIF	SHLIF	Total
2015	\$29,333,606	\$3,299,594	\$32,633,199
2016	\$36,722,196	\$4,686,735	\$41,408,932
2017	\$34,792,471	\$3,510,144	\$38,302,615
2018	\$25,713,276	\$2,437,459	\$28,150,735
2019	\$29,051,534	\$2,032,459	\$31,083,993
2020	\$12,744,226	\$892,916	\$13,637,142
2021	\$10,700,958	\$514,958	\$11,215,916
2022	\$12,438,708	\$252,894	\$12,691,602
2023	\$35,584,620	\$417,606	\$19,723,340
	<b>\$227,584,620</b>	<b>\$18,044,765</b>	<b>\$245,483,150</b>

<sup>1</sup> Adjustments have been made to prior year financial data to reflect TIF Collections and Payments more accurately for those periods. These adjustments are not material to previously reported financial information.

## Distributions

Starting January 1, 2016, the TLC began distributing monies from the TIF to yellow taxi drivers who operated wheelchair accessible taxicabs and enrolled in the program. Yellow taxi drivers were initially paid \$0.50 per trip completed in an accessible vehicle, but this amount was increased to \$1.00 per trip in May 2018. In October 2018, the program expanded to include \$1.00 payments to drivers who complete trips in accessible green taxicabs. Drivers of yellow taxicabs are paid from TIF and green taxicabs are paid from SHLIF.

As of December 31st, 2023, the program enrolled a total of 10,779 drivers, of which 9,836 have received at least one payment. In 2023 there were 4,365 individual drivers who participated in the program. Payments typically range between \$100 to \$200 based on the total number of trips completed in a WAV vehicle over a two-week period and are issued to drivers every other week. Table 2 shows the TLC’s payments to drivers since the start of the program.

**Table 2: TIF, SHLIF, and Accessible Dispatch Distributions**

Medallion owners who purchase an accessible taxicab are eligible to receive at least \$14,000 to offset the added cost associated with purchasing a wheelchair accessible vehicle (WAV). In addition, owners will receive \$1,000 on a quarterly basis over the life of the vehicle if a minimum of 250 trips are completed in the quarter and the vehicle passes regular inspections. Owners are required to keep vehicles in service, participate in the TLC’s Accessible Dispatch program, and not owe any surcharge money to the TLC before they receive payment. Payments are made to eligible owners once a month. In June 2019, the TLC modified its rules to expand the owner program and ease some restrictions in which medallions may receive incentive payments. Under the new rules all medallions, including those that are “WAV restricted”, may receive incentive payments for any wheelchair accessible taxicab brought into service.

**Table 2: TIF, SHLIF, and Accessible Dispatch Distributions**

<b>Calendar Year</b>	<b>Driver Payments</b>	<b>Owner Payments</b>	<b>Accessible Dispatch Costs</b>	<b>Total</b>
2015	\$0.00	\$0.00	\$699,752.60	\$699,752.60
2016	\$1,219,151.00	\$10,470,879.00	\$3,348,562.75	\$15,038,592.75
2017	\$3,538,057.50	\$18,846,504.00	\$3,883,803.67	\$26,268,365.17
2018	\$9,213,480.50	\$15,443,471.00	\$4,166,804.96	\$28,823,756.46
2019	\$14,019,561.00	\$18,992,446.00	\$8,278,804.39	\$41,290,811.39
2020	\$5,544,076.00	\$13,687,000.00	\$6,171,345.12	\$25,402,421.12
2021	\$7,640,541.00	\$12,517,000.00	\$5,233,934.29	\$25,391,475.29
2022	\$10,641,878.00	\$18,616,000.00	\$4,562,861.77	\$33,820,739.77
2023	\$11,212,911.00	\$ 22,650,011.00	\$4,471,101.00	\$38,334,023.00
<b>Total</b>	<b>\$63,029,656.00</b>	<b>\$131,223,311.00</b>	<b>\$40,816,970.55</b>	<b>\$235,069,937.55</b>

As of December 31<sup>st</sup>, 2023, the program has had a total 5,975 medallions enrolled, and paid 4,039 medallions to purchase and operate accessible taxicabs. Table 2 show TIF payments to owners since the start of the program. In 2023, there were 3,559 participating medallions of which 3,454 received aid with either purchasing or operating their vehicle.

Accessible Dispatch is a centralized service that enables customers to request a wheelchair accessible taxicab for a pick-up anywhere in the five boroughs. Customers may contact 311, use a smartphone app, or call the dispatcher directly to request an accessible yellow or green taxicab. Customers pay the metered taxi fare and there is no additional charge for the service. The program was launched in September 2012 and served only Manhattan. In January 2018, the program expanded to serve all five boroughs. Funds from the surcharge have covered the cost of the Accessible Dispatch Program since 2015. Table 2 shows the improvement surcharge distributions funded by the program.

### **Recommendations and Analysis**

*Should TLC investigate other methods of distributing TIF incentive funding to drivers and owners?*

The TLC is investigating other mechanisms to distribute funding to drivers and owners. No definitive strategy has been identified yet, but the TLC believes that a more streamlined distribution of funds tied to the number of trips made or new vehicle enrollment could provide a positive effect on the numbers of drivers/ owners who would like to participate in the program.

*Should the current surcharge be lowered, raised, or kept the same?*

Based on our review of current spending trends and projections, TLC does not see a need to change the current surcharge at this time.

*Are there possible alternate sources of funding for TIF or SHLIF other than the surcharge?*

No other funding sources for TIF or SHLIF have been identified. Maintaining adequate funding for the program is important. Medallion owners have not voluntarily placed wheelchair accessible taxicabs into service without adequate financial support.