

Taxicab and Street Hail Livery Improvement Funds

Report to City Council

Submitted on April 19, 2019

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 by 2020, and for over 20% of the green street hail livery (SHL) fleet to be accessible by 2024. The funds are financed through the assessment of a 30-cent surcharge on every yellow and green taxicab trip. The surcharge was originally split to provide incentive payments to owners and drivers of wheelchair accessible vehicles. In May 2018, the TLC passed rules to combine the vehicle owner and driver funds to permit an increase in payments made to drivers.

Collections

Starting January 1, 2015, the TLC began assessing a 30-cent surcharge on all taxicab trips. These funds are collected by medallion owners, medallion agents, and SHL permit owners and remitted to the TLC on a quarterly basis. Bills are posted online to TLC's License Applications, Renewals and Summons (LARS) system roughly one month after each quarter's end. Table 1 describes calendar year TIF and SHLIF collections as of March 5, 2019, respectively.

Table 1: Taxi Improvement Fund (TIF) and Street Hail Livery Improvement Fund (SHLIF) Collections

Year	TIF	SHLIF	Total
2015	\$29,333,908	\$3,306,389	\$32,640,297
2016	\$36,724,323	\$4,692,203	\$41,416,526
2017	\$34,796,157	\$3,511,763	\$38,307,920
2018	\$25,800,998	\$2,437,459	\$28,238,457
2019 (YTD)	\$7,331,725	\$452,803	\$7,784,527
Total	\$133,987,110	\$14,400,618	\$148,387,728

Distributions

Starting January 1, 2016, the TLC began distributing monies from the TIF to qualified owners and drivers. Drivers that operate wheelchair accessible taxicabs, and who are enrolled in the program, are eligible to receive a payment of \$1.00 for each trip completed in an accessible taxicab. In May 2018 this payment amount was increased from \$0.50 per trip to \$1.00 per trip, and in October 2018 the program expanded to include drivers of green taxicabs. Now, every enrolled driver receives \$1.00 for every trip (regardless of the passenger type) that is made in a wheelchair accessible yellow or green taxicab. Drivers of yellow cabs are paid from TIF and green cabs are paid from SHLIF.

As of March 5, 2019 the program enrolled 6,227 drivers, of which 5,457 have received at least one payment. Payments typically range between \$100 - \$220 per driver per pay period and are issued

to drivers every other week. Table 2 describes the TLC’s payments to drivers since the start of the program.

Table 2: TIF and SHLIF Distributions

Year	Driver Payments	Owner Payments	Total
2016	\$1,204,132	\$10,522,662	\$11,726,794
2017	\$3,355,055	\$18,899,985	\$22,255,040
2018	\$9,213,481	\$15,443,471	\$24,656,952
2019 (YTD)	\$1,407,908	\$2,071,888	\$3,479,796
Total	\$15,180,576	\$46,938,006	\$62,118,582

Medallion owners that purchase an accessible taxicab are eligible to receive up to \$30,000 to offset the added cost associated with purchasing and operating accessible vehicles. Owners receive \$14,000 to offset the additional cost to purchase an accessible vehicle and may receive up to \$16,000 in maintenance and operations payments. These funds are distributed over a four-year period. 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 may receive payment. Payments are made to eligible owners once a month.

As of March 5, 2019, the program enrolled 3,146 medallions, and has paid 2,244 medallions to purchase and operate accessible taxicabs. Table 2 describes TIF payments to owners since the start of the program.

Recommendations and Analysis

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

Based on our review of current spending trends and projections, we believe the current surcharge is adequate and should be kept the same.

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.

What costs are incurred by Owners and Drivers that are required to purchase and operate wheelchair accessible vehicles that are not incurred by Owners and Drivers who operate non-accessible vehicles?

The purpose of the Taxi Improvement Fund is to offset the higher cost of operating accessible taxicabs for Drivers and Owners. Compared to non-accessible taxicabs, accessible vehicles cost more upfront because of the wheelchair ramp mechanism. Accessible vehicles are also less fuel efficient because of the additional weight of the ramp, and they have higher maintenance costs. Enrolled drivers receive payments in the range of \$100 - \$200 every other week for trips performed in accessible taxicabs. Enrolled owners have thus far received an average of \$20,870 in payments to offset the added cost of owning and operating accessible taxicabs.