

Taxicab Improvement Fund
Report to City Council
Submitted on May 5, 2017

Background

In 2014 the Taxi and Limousine Commission (TLC) passed rules to create the Taxicab Improvement Fund (TIF). The fund was 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. The fund is financed through the assessment of a 30-cent surcharge on every taxicab trip. The surcharge is split to provide two distinct sources of revenue: (1) Twenty-five cents is allocated to the Owner Fund and this money is used to offset additional costs to purchase and maintain an accessible taxicab. (2) Five cents is allocated to the Driver Fund to provide an incentive for drivers who drive accessible taxicabs.

Collections

Starting January 1, 2015, the TLC began assessing a 30-cent surcharge on all taxicab trips. These funds are collected by medallion owners and agents, and remitted to the TLC on a quarterly basis. Bills are posted online to TLC’s License Applications, Renewals and Summons system (LARS) roughly one month after each quarter’s end. Table 1 describes TIF collections to date.

Table 1: Taxi Improvement Fund Collections

Fund	2015	2016	Total
Driver Fund	\$4,893,694	\$6,124,939	\$11,018,633
Owner Fund	\$24,469,415	\$30,622,094	\$55,091,509
Total	\$29,365,124	\$36,749,049	\$66,110,142

Distributions

Starting January 1, 2016, the TLC began distributing monies from the TIF to qualified owners and drivers. Drivers that operate wheelchair accessible taxicabs who are enrolled in the program are eligible to receive a payment of 50-cents per trip completed in the accessible taxicab. Payments are made to drivers every other week. As of April 13, 2017 the program enrolled 2,389 drivers, of which 1,856 drivers have received at least one payment. Payments are typically in the range of \$80 - \$100 each pay period. Table 2 describes the TLC’s payments to drivers since the start of the program.

Table 2: Taxi Improvement Fund Distributions

Fund	2016	2017 (YTD)	Total
Driver Fund	\$1,204,132	\$637,997	\$1,842,129

Medallion owners that purchase an accessible taxicab are eligible to receive up to \$30,000 to offset the added cost associated with 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 April 13, 2017 the program enrolled 1,361 medallions, and has paid 904 of these medallions to purchase accessible taxicabs. Table 3 describes TIF payments to owners since the start of the program.

Table 3: Taxi Improvement Fund Distributions

Fund	2016	2017 (YTD)	Total
Owner Fund	\$10,538,876	\$5,183,695	\$15,722,571

Recommendations and Analysis

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

We believe the current surcharge is adequate and should be kept the same. Based on our review of current spending trends and projections, we believe that the surcharge provides adequate funding to create a 50% accessible taxi fleet by 2020.

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

No other funding sources for TIF have been identified. Maintaining adequate funding for the program is important. Medallion owners will not voluntarily place 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 \$80 - \$100 every other week for trips performed in accessible taxicabs. Enrolled owners have thus far received an average of \$17,400 in payments (out of a possible \$30,000) to offset the added cost of owning and operating accessible taxicabs.