

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Taxi and Limousine Commission is considering changing its rules. The change would amend the for-hire vehicle rules to permit vehicles altered after manufacture to be used as for-hire vehicles.

When and where is the Hearing? The Commission will hold a public hearing on the proposed rule. The public hearing will take place at 10:00 a.m. on Thursday, November 17, 2011. The hearing will be in the Commission hearing room at 33 Beaver Street, New York, New York, on the 19th Floor.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Mail.** You can mail written comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22nd Floor, New York, New York 10014.
- **Fax.** You can fax written comments to the Taxi and Limousine Commission, Office of Legal Affairs, at 212-676-1102.
- **Email.** You can email written comments to tlcrules@tlc.nyc.gov.
- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC rules Web site at www.nyc.gov/nycrules.
- **By Speaking at the Hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling 212-676-1135. You can also sign up in the hearing room before the hearing begins on November 17, 2011. You can speak for up to three minutes.

Is there a deadline to submit written comments? Yes, you must submit written comments by November 14, 2011.

Do you need assistance to participate in the Hearing? You must tell the Office of Legal Affairs if you need a reasonable accommodation of a disability at the Hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at 212-676-1135. You must tell us by Thursday, November 10, 2011.

Can I review the comments made on the proposed rules? A few days after the hearing, a transcript of the hearing and copies of the written comments will be available to the public at the Office of Legal Affairs.

What authorizes the Commission to make this rule? Sections 1043 and 2303 of the City Charter and section 19-503 of the City Administrative Code authorize the Commission to make this proposed rule.

This proposed rule was not included in the Commission's regulatory agenda for this Fiscal Year because it was not contemplated when the Commission published the agenda.

Where can I find the Commission's rules? The Commission's rules are in title 35 of the Rules of the City of New York.

What rules govern the rulemaking process? The Commission must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043(b) of the City Charter.

Statement of Basis and Purpose of Proposed Rule

The purpose of this rule is to accommodate the growing number of requests for licenses for for-hire vehicles that have been modified while ensuring the safety of the riding public. Recently the New York State Department of Transportation (NYS DOT) began inspecting more vehicles, including certain stretched or modified vehicles. The Commission believes that modified vehicles are safe for operation for hire if they meet the requirements of these proposed rules, including that of passing inspection by either the NYS DOT or the TLC.

Currently the TLC does not license a vehicle as a for-hire vehicle if:

1. The vehicle is changed to make it longer, wider or have more seats or
2. The vehicle's chassis and/or body design is changed.

The TLC does license these vehicles if the modifications were made under a program approved by the original vehicle manufacturer (OVM).

Under the proposed rule, the TLC would license as for-hire vehicles altered vehicles not modified under a program approved by the original vehicle manufacturer if:

- the vehicle, after modification, meets all federal and state law requirements
- the vehicle is properly registered with the NYS Department of Motor Vehicles
- the modifier is licensed by the state in which the modifier does business to perform such modifications
- the modifier provides a minimum three year warranty that covers all parts and workmanship
- the modifier carries at least \$5,000,000 in general liability insurance.

The proposed rule includes specific requirements for four categories of modified vehicles based on whether they are exempt from NYS DOT requirements and the amount of seating.

1. Vehicles NOT Exempt from NYS DOT Requirements and Seating Ten or More People

A modified vehicle seating ten or more people (which includes the driver) that is not exempt from NYS Department of Transportation requirements would also be required:

- To be inspected twice a year by the NYS Department of Transportation
- To carry more insurance coverage than is required by TLC Rules for an unmodified vehicle or a vehicle modified under a manufacturer approved program
 - A vehicle carrying 9-15 passengers, not including the driver, must carry \$5 million per occurrence.
 - A vehicle carrying 16-20 passengers must carry \$10 million per occurrence
- To be properly registered with the NYS DMV
- To carry a current and valid operating authority license issued by the NYS Department of Transportation and display all decals and markings required by the NYS Department of Transportation.

A driver of a modified vehicle that is not exempt from NYS Department of Transportation inspection and authorization requirements would also be required to be authorized to drive in compliance with Article 19-A of the NYS Vehicle and Traffic Law.

2. Vehicles Exempt from NYS DOT Requirements and Seating Ten or More People

A modified vehicle seating ten or more people (which includes the driver) that is exempt from NYS Department of Transportation inspection and authorization requirements would be required:

- To be inspected three times a year by a NYS DMV approved inspector and inspected by the TLC in accordance with all TLC Rules and Regulations
- To carry more insurance coverage than is required by TLC Rules for an unmodified vehicle or a vehicle modified under a manufacturer approved program
 - A vehicle carrying 9-15 passengers, not including the driver, must carry \$10 million per occurrence.
 - A vehicle carrying 16-20 passengers must carry \$15 million per occurrence
- To present a valid exemption letter from the NYS Department of Transportation.

3. Vehicles NOT Exempt from NYS DOT Requirements and Seating Nine or Fewer People

A modified vehicle seating nine or fewer people (which includes the driver) that is NOT exempt from NYS Department of Transportation inspection and authorization requirements would be required:

- To be inspected twice a year by the NYS Department of Transportation
- To carry more insurance coverage than is required by TLC Rules for an unmodified vehicle or a vehicle modified under a manufacturer approved program
 - A livery or black car vehicle must carry minimum insurance of \$500,000 per person, \$1 million per occurrence
 - A luxury limousine vehicle must carry minimum insurance of \$1.5 million per occurrence
- To be properly registered with the NYS DMV
- To carry a current and valid operating authority license issued by the NYS Department of Transportation and display all decals and markings required by the NYS Department of Transportation.

A driver of a modified vehicle that is not exempt from NYS Department of Transportation inspection and authorization requirements would also be required to be authorized to drive in compliance with Article 19-A of the NYS Vehicle and Traffic Law.

4. Vehicles Exempt from NYS DOT Requirements and Seating Nine or Fewer People

A modified vehicle seating nine or fewer people (which includes the driver) that is exempt from NYS Department of Transportation inspection and authorization requirements would be required:

- To be inspected three times a year by a NYS DMV approved inspector and inspected by the TLC in accordance with all TLC Rules and Regulations
- To carry more insurance coverage than is required by TLC Rules for an unmodified vehicle or a vehicle modified under a manufacturer approved program

- A livery or black vehicle carrying 8 or fewer passengers, not including the driver, must carry \$1.5 million per occurrence
- A luxury limousine vehicle must carry \$ 5 million per occurrence
- To present a valid exemption letter from the NYS Department of Transportation.

A modified vehicle modified through a manufacturer approved program would not be required to meet the additional insurance requirements.

The changes contained in this rule are summarized for convenience below:

Ten or more passengers (including the driver):

The chart below outlines the recommended process for issuing a TLC license for a stretched vehicle that seats ten or more passengers (including the driver). The chart below describes the expected requirements for for-hire vehicle base owners that choose to stretch a vehicle with an Original Vehicle Manufacturer (OVM) certified coachbuilder versus a non-OVM certified coachbuilder.

OVM	Without an OVM
Eligible Manufacturers: GM and Ford	Eligible Manufacturers: All
No new requirements on OVM-certified coachbuilders	<ul style="list-style-type: none"> ● Non-certified coachbuilders must be licensed by the state where they are located; <ul style="list-style-type: none"> ○ carry a \$5,000,000 general liability insurance policy; and ○ provide a minimum three-year warranty on all parts and workmanship.
NYS DMV registration	NYS DMV registration
<ul style="list-style-type: none"> ● NYSDOT Operating Authority License required if the vehicle(s) are not exempt from NYSDOT inspection requirements ● If NOT exempt from NYSDOT inspection NYSDOT vehicle inspection done twice a year ● If exempt from NYSDOT inspection: <ol style="list-style-type: none"> 1. Required to conduct NYSDMV inspection three times a year, including a two-year renewal inspection at TLC, and 2. Must present valid exemption letter from NYSDOT if exempt from NYSDOT inspection and Operating Authority requirements. 	<ul style="list-style-type: none"> ● NYSDOT Operating Authority License required if the vehicle(s) are not exempt from NYSDOT inspection requirements ● If NOT exempt from NYSDOT inspection NYSDOT vehicle inspection done twice a year ● If exempt from NYSDOT inspection: <ol style="list-style-type: none"> 1. Required to conduct NYSDMV inspection three times a year, including a two-year renewal inspection at TLC, and 2. Must present valid exemption letter from NYSDOT if exempt from NYSDOT inspection and Operating Authority requirements.
Other TLC requirements <ul style="list-style-type: none"> ● No additional insurance requirements ● Display all decals and markings required by NYSDOT ● If a NYS DOT Operating Authority License is required all Drivers must have and maintain a current and valid 19A endorsement on their DMV license. 	Other TLC requirements <ul style="list-style-type: none"> ● Insurance (if NOT exempted from NYSDOT inspection): \$5 million per occurrence for vehicles that carry 10-15 passengers; \$10 million per occurrence for vehicles that carry 16-20 passengers. ● Insurance (if exempted from NYSDOT inspection): \$10 million per occurrence for vehicles that carry 10-15 passengers; \$15 million per occurrence for vehicles that carry 16-20 passengers. ● Display all decals and markings required by

	<p>NYS DOT</p> <ul style="list-style-type: none"> If a NYS DOT Operating Authority License is required all Drivers must have and maintain a current and valid 19A endorsement on their DMV license.
Issuance of TLC license	Issuance of TLC license

Nine or fewer passengers (including the driver):

The chart below outlines the recommended process for issuing a TLC license for stretched limousines that seats nine or fewer ps (including the driver). The chart below describes the expected requirements for for-hire vehicle base owners that choose to stretch a vehicle with an OVM certified coachbuilder versus a non-OVM certified coachbuilder.

OVM	Without an OVM
Eligible Manufacturers: GM and Ford	Eligible Manufacturers: All
No new requirements on OVM-certified coachbuilders	<ul style="list-style-type: none"> Non-certified coachbuilders must be licensed by state where they are located, <ul style="list-style-type: none"> carry a \$5,000,000 general liability insurance policy, and provide a minimum three-year warranty on all parts and workmanship.
NYS DMV registration	NYS DMV registration
<ul style="list-style-type: none"> NYS DOT Operating Authority License required if the vehicle(s) are not exempt from NYSDOT inspection requirements NYS DOT vehicle inspection done twice a year (if not exempt from NYSDOT inspection) If exempt from NYSDOT inspection: <ol style="list-style-type: none"> Required to conduct NYSDMV inspection three times a year, including a two-year renewal inspection at TLC. Must present valid exemption letter from NYSDOT if exempt from NYSDOT inspection and Operating Authority requirements. 	<ul style="list-style-type: none"> NYS DOT Operating Authority License required if the vehicle(s) are not exempt from NYSDOT inspection requirements NYS DOT vehicle inspection done twice a year (if not exempt from NYSDOT inspection) If exempt from NYSDOT inspection: <ol style="list-style-type: none"> Required to conduct NYSDMV inspection three times a year, including a two-year renewal inspection at TLC. Must present valid exemption letter from NYSDOT if exempt from NYSDOT inspection and Operating Authority requirements.
Other TLC requirements <ul style="list-style-type: none"> No additional insurance requirements Display all decals and markings required by NYSDOT If a NYS DOT Operating Authority License is required all Drivers must have and maintain a current and valid 19A endorsement on their DMV license. 	Other TLC requirements <ul style="list-style-type: none"> Insurance (if NOT exempted from NYSDOT inspection): \$500,000 per person, \$1 million per occurrence for livery and black car vehicles that carry 8 or less passengers; luxury limousines must carry \$1.5 million per occurrence. Insurance (if exempted from NYSDOT inspection): \$1.5 million per occurrence for livery and black car vehicles that carry 8 or less passengers; luxury limousine must carry \$5 million per occurrence. Display all decals and markings required by NYSDOT If a NYS DOT Operating Authority License is required all Drivers must have and maintain a

	current and valid 19A endorsement on their DMV license.
Issuance of TLC license	Issuance of TLC license

New material is underlined.
[Deleted material is in brackets.]

Section 1. Section 55-11(b) of Title 35 of the Rules of the City of New York is amended to read as follows:

(b) *Driver Must Have a Valid Chauffeur’s License.*

(1) A Driver must not operate a For-Hire Vehicle without a valid Chauffeur’s License.

(2) A Driver of a For-Hire Vehicle which is not exempt from NYS Department of Transportation authorization and inspection requirements must be in compliance with Article 19-A of the New York State Vehicle and Traffic Law. Driving a non-exempt vehicle if not in compliance with Article 19-A is the same as if the individual were driving a For-Hire Vehicle without a Valid License.

§55-11(b)(1)– (2)	Fine: \$400 and Summary Suspension until compliance Points: 2	Appearance NOT REQUIRED
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[(2)3] A Driver will immediately surrender his or her For-Hire Driver’s License to the Commission upon the restriction, suspension or revocation of his Chauffeur's License.

§55-11(b)[(2)3]	Fine: 100	Appearance NOT REQUIRED
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Section 2. Section 59A-04(e) of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (8) to read as follows:

(8) If the vehicle was altered after manufacture and seats 10 or more passengers (including the driver) and is not exempt from inspection by the NYS Department of Transportation, the vehicle must pass an inspection by the NYS Department of Transportation. The vehicle must also pass a visual inspection by the Commission.

Section 3. Section 59A-04(f) of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (7) to read as follows:

(7) If the vehicle was altered after manufacture and seats 10 or more passengers (including the driver) and is not exempt from inspection by the NYS Department of Transportation, the vehicle must pass an inspection by the NYS Department of Transportation. The vehicle must also pass a visual inspection by the Commission.

Section 4. Section 59A-04 of Title 35 of the Rules of the City of New York is amended by adding new subdivisions (p) through (t) to read as follows:

(p) Registration. An Applicant for a new or renewal For-Hire Vehicle License must demonstrate that the vehicle has been properly registered. For a vehicle that has been modified after manufacture, this means the Applicant must show that the vehicle was properly re-registered with NYS after modification.

(q) Operating Authority. An Applicant for a new or renewal For-Hire Vehicle License must show that the vehicle possesses a current and Valid operating authority license from NYS and a current and Valid MC-300 Vehicle inspection form if the vehicle is not exempt from NYS DOT inspection and operating authority requirements and either of the following are true.

(1) The vehicle seats 10 or more passengers (including the driver) or

(2) The vehicle is a modified vehicle.

(r) Exempt Vehicles. An Applicant for a new or renewal For-Hire Vehicle License for a vehicle which has been modified and IS exempt from NYS Department of Transportation inspection and operating authority requirements must show an exemption letter from the NYS Department of Transportation.

(s) Warranty. An Applicant for a new For-Hire Vehicle License for a vehicle which has been modified after manufacture (except in a program supported by the original vehicle manufacturer) must provide evidence of warranty from the vehicle modifier that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(t) Modifier Insurance Coverage. An Applicant for a new or renewal For-Hire Vehicle License for a vehicle which has been modified after manufacture (except in a program supported by the original vehicle manufacturer) must provide evidence that the modifier maintains a General Liability Insurance Policy in a minimum amount of \$5,000,000

Section 5. Section 59A-11 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (g) to read as follows

(g) NYS DOT Authority. A For-Hire Vehicle License for a vehicle which either

(1) seats 10 or more passengers and is NOT exempt from NYS Department of Transportation operating authority and inspection requirements, OR

(2) has been modified after manufacture and is NOT exempt from NYS Department of Transportation operating authority and inspection requirements

will be Valid only while the NYS Department of Transportation operating authority required for the Vehicle remains Valid.

<u>§59A-11(g)</u>	<u>Fine: Summary Suspension until Valid NYS DOT operating authority obtained</u>	<u>Appearance REQUIRED</u>
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Section 6. Section 59A-12(c) of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (5) to read as follows:

(5) Coverage for Modified Vehicles. A For-Hire Vehicle which has been altered after manufacture must maintain insurance coverage in amounts as follows:

(i) If the modification was approved by the original vehicle manufacturer as provided in Section 59A-28(a)(2) of these rules, coverage as provided in section (1) through (4) above.

(ii) If the modification meets the standard set forth in Section 59A-28(a)(3) and the vehicle is NOT exempt from NYS Department of Transportation operating authority and inspection requirements, coverage on the vehicle must be not less than the following:

A. \$200,000 per person, payable for those expenses specified in paragraphs 1, 2 and 3 of subdivision a of section 5102 of the New York State Insurance Law.

B. Minimum liability for bodily injury and death, as those terms are described and defined in section 370(1) of the Vehicle and Traffic Law of

1. \$ 5,000,000 per occurrence for vehicles which carry 9 to 15 passengers (not including the driver).

2. \$10,000,000 per occurrence for vehicles which carry 16 to 20 passengers (not including the driver).

(iii) If the modification meets the standard set forth in Section 59A-28(a)(4) and the vehicle IS exempt from NYS Department of Transportation operating authority and inspection requirements, coverage on the vehicle must be not less than the following:

A. \$200,000 per person, payable for those expenses specified in paragraphs 1, 2 and 3 of subdivision a of section 5102 of the New York State Insurance Law.

B. Minimum liability for bodily injury and death, as those terms are described and defined in section 370(1) of the Vehicle and Traffic Law of

1. \$ 10,000,000 per occurrence for vehicles which carry 9 to 15 passengers (not including the driver).

2. \$15,000,000 per occurrence for vehicles which carry 16 to 20 passengers (not including the driver).

(iv) If the modification meets the standard set forth in Section 59A-28(a)(5) and the vehicle IS exempt from NYS Department of Transportation operating authority and inspection requirements, coverage on the vehicle must be not less than the following:

A. \$200,000 per person, payable for those expenses specified in paragraphs 1, 2 and 3 of subdivision a of section 5102 of the New York State Insurance Law.

B. Minimum liability for bodily injury and death, as those terms are described and defined in section 370(1) of the Vehicle and Traffic Law of

1. \$ 1,500,000 per occurrence for livery and black car vehicles which carry 8 or fewer passengers (not including the driver).

2. \$5,000,000 per occurrence for luxury limousine vehicles which carry 8 or fewer passengers (not including the driver).

(v) If the modification meets the standard set forth in Section 59A-28(a)(6) and the vehicle is NOT exempt from NYS Department of Transportation operating authority and inspection requirements, coverage on the vehicle must be not less than the following:

A. \$200,000 per person, payable for those expenses specified in paragraphs 1, 2 and 3 of subdivision a of section 5102 of the New York State Insurance Law.

B. Minimum liability for bodily injury and death, as those terms are described and defined in section 370(1) of the Vehicle and Traffic Law of

1. \$ 500,000 minimum liability and \$ 1,000,000 per occurrence for livery and black car vehicles which carry 8 or fewer passengers (not including the driver).

2. \$1,500,000 per occurrence for luxury limousine vehicles which carry 8 or fewer passengers (not including the driver).

<u>§59A-12(c)(5)</u>	<u>Fine: \$350 and suspension until compliance.</u>	<u>Appearance REQUIRED</u>
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Section 7. Section 59A-26(a) of Title 35 of the Rules of the City of New York is amended to read as follows:

Tri-Annual Inspections.

(1) For-Hire Vehicles must be regularly inspected three times every year, including at least once every four months. Section 59A-04(e)(1) and (f)(1) specifies that inspections required for new and renewal applications must be done at the Commission's Safety and Emissions Division facility, except as specifically set forth in Section 59A-04(e) and (f); the other required inspections can be done at any DMV registered facility.

(2) Exception for vehicles seating 10 or more passengers (including the driver) and stretched vehicles. A Vehicle which either:

(i) seats 10 or more passengers and is not exempt from NYS Department of Transportation operating authority and inspection requirements, or

(ii) has been modified after manufacture and which is not exempt from NYS Department of Transportation operating authority and inspection requirements

must be inspected two times a year by the NYS Department of Transportation. Each Inspection will be performed as required by the NYS Department of Transportation and its regulations.

§59A-26(a)	Fine: \$100 and suspension of the Vehicle Owner License until any defect found is corrected <u>or until the vehicle passes inspection, including any applicable inspection by the NYS DOT.</u>	Appearance REQUIRED
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Section 8. Section 59A-28(a) of Title 35 of the Rules of the City of New York is amended to read as follows:

(a) *Post-Manufacture Alteration.*

(1) No For-Hire Vehicle can be altered after manufacture:

(i) To increase its length, width, weight or seating capacity, or

(ii) To modify its chassis and/or body design.

(2) Exception for all types of Vehicles: A For-Hire Vehicle can also be altered, after manufacture, [if the modification] provided that the Vehicle, as modified, meets all of the following:

(i) [H]The modification has been made under a program approved in advance by the original vehicle manufacturer, and

(ii) The alteration has been performed by an entity approved and certified by the vehicle manufacturer to perform such alterations.

[(3)] (iii) An original, unaltered, approved vehicle modifier's certification sticker must be affixed to the Vehicle [at a location to be determined by the Commission] on the left center post or hinge post.

(3) Exception for Vehicles seating 10 or more passengers (including the driver) and NOT exempt from NYS DOT Requirements:

A For-Hire Vehicle can be altered, after manufacture, provided that the Vehicle, as modified, meets all of the following:

(i) The Vehicle, as modified, has been approved by the NYS Commissioner of Motor Vehicles under Section 401(1)(b) of the NYS Vehicle and Traffic Law.

(ii) The Vehicle has passed inspection by the NYS Department of Transportation under 17 NYCRR §720.

(iii) For such modified For-Hire Vehicles, the inspections required by Section 59A-04(e) and (f) and Section 59A-26(a) of this Chapter and the requirement to meet safety standards set forth in Section 59A-27 of this Chapter, will be inspections of, and determinations by, the NYS Department of Transportation.

(iv) A modified For-Hire Vehicle must still pass a visual inspection at the Commission's Safety and Emissions Division at application and renewal as required by section 59A-04(e) and (f) of this Chapter.

(v) A modified For-Hire Vehicle must carry the insurance required by Section 59A-12 of these Rules for a vehicle of its size as modified (that is, \$ 5 million per occurrence if the vehicle carries 9-15 passengers, not including the driver, or \$10 million per occurrence if the vehicle carries 16-20 passengers).

(vi) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(vii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(viii) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(ix) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(x) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

(4) Exception for Vehicles seating 10 or more passengers (including the driver) and exempt from NYS DOT Requirements:

A For-Hire Vehicle can be altered, after manufacture, provided that the Vehicle, as modified, meets all of the following:

(i) A modified For-Hire Vehicle must carry the insurance coverage required by Section 59A-12 of these Rules for a vehicle of its size as modified (that is, \$ 10 million per occurrence if the vehicle carries 9-15 passengers, not including the driver, or \$15 million per occurrence if the vehicle carries 16-20 passengers).

(ii) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(iii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(iv) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(v) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(vi) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

(5) Exception for modified Vehicles seating 9 or fewer and exempt from NYS DOT inspection and operating authority requirements:

A For-Hire Vehicle can be altered, after manufacture, even if the original vehicle manufacturer has not approved the program, provided that the Vehicle, as modified, meets all of the following:

(i) A modified For-Hire Vehicle must carry the insurance coverage required by Section 59A-12 of these Rules for a vehicle of its type and its size as modified, that is:

A. Liveries and Black Cars must carry insurance coverage of \$1.5 million per occurrence.

B. Luxury Limousines must carry insurance coverage of \$5 million per occurrence.

(ii) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(iii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(iv) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(v) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(vi) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

(6) Exception for modified Vehicles seating 9 or fewer and NOT exempt from NYS DOT inspection and operating authority requirements:

A For-Hire Vehicle can be altered, after manufacture, even if the original vehicle manufacturer has not approved the program, provided that the Vehicle, as modified, meets all of the following:

(i) The Vehicle, as modified, has been approved by the NYS Commissioner of Motor Vehicles under Section 401(1)(b) of the NYS Vehicle and Traffic Law.

(ii) The Vehicle has passed inspection by the NYS Department of Transportation under 17 NYCRR §720.

(iii) For such modified For-Hire Vehicles, the inspections required by Section 59A-04(e) and (f) and Section 59A-26(a) of this Chapter and the requirement to meet safety standards set forth in Section 59A-27 of this Chapter, will be inspections of, and determinations by, the NYS Department of Transportation.

(iv) A modified For-Hire Vehicle must still pass a visual inspection at the Commission's Safety and Emissions Division at application and renewal as required by section 59A-04(e) and (f) of this Chapter.

(v) A modified For-Hire Vehicle must carry the insurance coverage required by Section 59A-12 of these Rules for a vehicle of its type and its size as modified, that is:

A. Liveries and Black Cars must carry insurance coverage of \$500,000 per person and \$1 million per occurrence.

B. Luxury Limousines must carry insurance coverage of \$ 1.5 million per occurrence.

(vi) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(vii) The Vehicle must carry the modifier’s sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(viii) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(ix) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(x) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

§59A-28(a)	Vehicle Owner Fine: \$10,000 and License suspension until compliance if alteration is not approved <u>or revocation if the vehicle is not brought into compliance within 30 days</u> [\$10,000 and License revocation if certification sticker is altered.]	Appearance REQUIRED
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Section 9. Section 59A-30(a) of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (5) to read as follows:

(5) Modified Vehicles. If the Vehicle has been modified after manufacture and IS exempt from NYS Department of Transportation inspection and authorization requirements, a copy of the valid exemption letter from the NYS Department of Transportation must be kept in the Vehicle at all times.

§59A-30(a)(5)	Fine: \$100.	Appearance NOT REQUIRED
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Section 10. Section 59B-28 (a) of Title 35 of the Rules of the City of New York is amended to read as follows:

(a) *Post-Manufacture Alteration.*

(1) No For-Hire Vehicle can be altered after manufacture:

(i) To increase its length, width, weight or seating capacity, or

(ii) To modify its chassis and/or body design.

(2) Exception for all types of Vehicles: A For-Hire Vehicle can also be altered, after manufacture, [if the modification] provided that the Vehicle, as modified, meets all of the following:

(i) [H] The modification has been made under a program approved in advance by the original vehicle manufacturer, and

(ii) The alteration has been performed by an entity approved and certified by the vehicle manufacturer to perform such alterations.

[(3)] (iii) An original, unaltered, approved vehicle modifier's certification sticker must be affixed to the Vehicle [at a location to be determined by the Commission] attached to the left center post or hinge post.

(3) Exception for Vehicles seating 10 or more passengers and NOT exempt from NYS DOT Requirements:

A For-Hire Vehicle can be altered, after manufacture, provided that the Vehicle, as modified, meets all of the following:

(i) The Vehicle, as modified, has been approved by the NYS Commissioner of Motor Vehicles under Section 401(1)(b) of the NYS Vehicle and Traffic Law.

(ii) The Vehicle has passed inspection by the NYS Department of Transportation under 17 NYCRR §720.

(iii) For such modified For-Hire Vehicles, the inspections required by Section 59A-04(e) and (f) and Section 59A-26(a) of this Chapter and the requirement to meet safety standards set forth in Section 59A-27 of this Chapter, will be inspections of, and determinations by, the NYS Department of Transportation.

(iv) A modified For-Hire Vehicle must still pass a visual inspection at the Commission's Safety and Emissions Division at application and renewal as required by section 59A-04(e) and (f) of this Chapter.

(v) A modified For-Hire Vehicle must carry the insurance required by Section 59A-12 of these Rules for a vehicle of its size as modified (that is, \$ 5 million per occurrence if the vehicle carries 9-15 passengers, not including the driver, or \$10 million per occurrence if the vehicle carries 16-20 passengers).

(vi) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(vii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(viii) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(ix) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(x) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

(4) Exception for Vehicles seating 10 or more passengers (including the driver) and exempt from NYS DOT Requirements:

A For-Hire Vehicle can be altered, after manufacture, provided that the Vehicle, as modified, meets all of the following:

(i) A modified For-Hire Vehicle must carry the insurance coverage required by Section 59A-12 of these Rules for a vehicle of its size as modified (that is, \$ 10 million per occurrence if the vehicle carries 9-15 passengers, not including the driver, or \$15 million per occurrence if the vehicle carries 16-20 passengers).

(ii) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(iii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(iv) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(v) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(vi) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

(5) Exception for modified Vehicles seating 9 or fewer and exempt from NYS DOT inspection and operating authority requirements:

A For-Hire Vehicle can be altered, after manufacture, even if the original vehicle manufacturer has not approved the program, provided that the Vehicle, as modified, meets all of the following:

(i) A modified For-Hire Vehicle must carry the insurance coverage required by Section 59A-12 of these Rules for a vehicle of its type and its size as modified, that is:

A. Liveries and Black Cars must carry insurance coverage of \$1.5 million per occurrence.

B. Luxury Limousines must carry insurance coverage of \$5 million per occurrence.

(ii) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(iii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(iv) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(v) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(vi) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

(6) Exception for modified Vehicles seating 9 or fewer and NOT exempt from NYS DOT inspection and operating authority requirements:

A For-Hire Vehicle can be altered, after manufacture, even if the original vehicle manufacturer has not approved the program, provided that the Vehicle, as modified, meets all of the following:

(i) The Vehicle, as modified, has been approved by the NYS Commissioner of Motor Vehicles under Section 401(1)(b) of the NYS Vehicle and Traffic Law.

(ii) The Vehicle has passed inspection by the NYS Department of Transportation under 17 NYCRR §720.

(iii) For such modified For-Hire Vehicles, the inspections required by Section 59A-04(e) and (f) and Section 59A-26(a) of this Chapter and the requirement to meet safety standards set forth in Section 59A-27 of this Chapter, will be inspections of, and determinations by, the NYS Department of Transportation.

(iv) A modified For-Hire Vehicle must still pass a visual inspection at the Commission's Safety and Emissions Division at application and renewal as required by section 59A-04(e) and (f) of this Chapter.

(v) A modified For-Hire Vehicle must carry the insurance coverage required by Section 59A-12 of these Rules for a vehicle of its type and its size as modified, that is:

A. Liveries and Black Cars must carry insurance coverage of \$500,000 per person and \$1 million per occurrence.

B. Luxury Limousines must carry insurance coverage of \$ 1.5 million per occurrence.

(vi) The For-Hire Vehicle must be properly registered with the NYS Department of Motor Vehicles and must have been re-registered after completion of the modification.

(vii) The Vehicle must carry the modifier's sticker certifying that the modification was conducted in accordance with Federal Motor Vehicle Safety Standards.

(viii) The modifier of the Vehicle must certify that it is registered with the National Highway Traffic Safety Administration.

(ix) The modifier of the Vehicle must provide a warranty that the vehicle will be free from defects in material and workmanship, including that the chassis and frame will be free from defects for a period of 3 years or 60,000 miles, whichever comes first.

(x) The modifier of the Vehicle must maintain a General Liability Insurance Policy in a minimum amount of \$5,000,000.

§59B-28(a)	Base Owner Fine: \$1,000.	Appearance REQUIRED
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Section 11. Section 59B-30(a) of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (4) to read as follows:

(4) Modified Vehicles. If the Vehicle has been modified after manufacture and IS exempt from NYS Department of Transportation inspection and authorization requirements, a copy of the valid exemption letter from the NYS Department of Transportation must be kept in the Vehicle at all times.

<u>§59B-30(a)(4)</u>	<u>Fine: \$100.</u>	<u>Appearance NOT REQUIRED</u>
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**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1526**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Requirements for Modified For-Hire Vehicles

REFERENCE NUMBER: TLC-15

RULEMAKING AGENCY: TLC

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because a cure period would run counter to the proposed rule's goal of preventing risks to public safety.

/s/ Francisco Navarro
Mayor's Office of Operations

October 12, 2011
Date

**NEW YORK CITY LAW DEPARTMENT
100 CHURCH STREET
NEW YORK, NY 10007
212-788-1087**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Requirements for Modified For-Hire Vehicles

REFERENCE NUMBER: 2011 RG 089

RULEMAKING AGENCY: Taxi and Limousine Commission

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Acting Corporation Counsel

Date: October 12, 2011