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|  | **The Council of the City of New York**  **Finance Division**  **Latonia Mckinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 838-C**  **Committee**: **For-Hire Vehicles** |
| **Title:** A local law to amend the administrative code of the city of New York, in relation to the licensing and regulation of high-volume for-hire transportation services. | **Sponsors:** Council Members Diaz, Deutsch, Cabrera, Miller, Constantinides, Torres, Koslowitz, Grodenchik, Lancman, Brannan, Williams, Gjonaj, Dromm, Koo, King, Maisel, Moya, Cohen, Rivera, Powers and Ayala |

**Summary of Legislation:** This legislation would create a new license for providing high-volume for-hire service in the City, which would only impact for-hire services that dispatch 10,000 or more trips per day. The new license would require applicants to: (i) submit a business plan, (ii) comply with any requirement of the Taxi and Limousine Commission to assess the impact of the service on the environment, (iii) provide a description of all deductions (such as commissions and lease fees) it proposes to charge for-hire vehicle owners or drivers as well as estimates of gross hourly earnings of drivers, and (iv) provide detailed trip and revenue data. This legislation would also set a $10,000 per day penalty for operating a high-volume for-hire service without a valid TLC license to do so.

**Effective Date:** This local law would take effect 120 days after it becomes law, except that the provision adding definitions to section 19-502 would take effect immediately and the provision imposing penalties for operating a high-volume for-hire service without a valid license would take effect 180 days after it becomes law.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2020

**Fiscal Impact Statement:**

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|  | **Effective FY19** | **FY Succeeding Effective FY20** | **Full Fiscal Impact FY20** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $455,890 | $862,501 | $862,501 |
| **Net** | ($735,017) | ($862,501) | ($862,501) |

**Impact on Revenues:** It is anticipated that this legislation would have no impact on revenues because full compliance with the legislation is anticipated.

**Impact on Expenditures:** It is estimated that the annual fiscal impact of this legislation on expenditures would be $837,380, excluding one-time OTPS costs of $37,200 for associated with technological needs. TLC estimates that it would need an additional eight staff positions to support the work of this legislation, including: two attorneys, analytical staff, and technical staff. The total annual cost of these additional positions is estimated to be $837,380, including fringe benefits costs. For Fiscal 2019, the prorated cost would be $418,690 in addition to $37,200 for OTPS related costs, bringing the total cost in Fiscal 2019 to $455,890.

**Source of Funds to Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

Mayor’s Office of Legislative Affairs

**Estimate Prepared by:** John Basile, Financial Analyst

**Estimate Reviewed by:** Nathan Toth, Deputy Director

Chima Obichere, Unit Head

Rebecca Chasan, Counsel

**Legislative History:** This legislation was introduced to the full Council as Intro. No. 838 on April 25, 2018 and was referred to the Committee on For-Hire Vehicles (Committee). A hearing was held by the Committee on April 30, 2018, and the legislation was laid over. The legislation was subsequently amended three times and the most recently amended version, Proposed Intro. No. 838-C, will be considered by the Committee on August 8, 2018. Upon a successful vote by the Committee, Proposed Intro. No. 838-C will be submitted to the full Council for a vote on August 8, 2018.

**Date Prepared:** August 1, 2018