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<h2 style="margin: 0;">Regulatory Analysis Form</h2> <p style="margin: 0;">(Completed by Promulgating Agency)</p> <p style="margin: 0; font-size: small;">(All Comments submitted on this regulation will appear on IRRC's website)</p>	<p style="margin: 0;"><b>INDEPENDENT REGULATORY REVIEW COMMISSION</b></p>
<p>(1) Agency</p> <p>Philadelphia Parking Authority</p>	
<p>(2) Agency Number: 126</p> <p>Identification Number: 6</p>	<p>IRRC Number: <b>3039</b></p>
<p>(3) PA Code Cite: 52 Pa. Code Part II, Chapters 1013, Subchapter C.</p>	
<p>(4) Short Title: Taxicab Medallion Sales by the Authority</p>	
<p>(5) Agency Contacts (List Telephone Number and Email Address):</p> <p>Primary Contact: Dennis Weldon, General Counsel, at PRM101@philapark.org, 215-683-9630 (FAX: 215-683-9619), 701 Market Street, Suite 5400, Philadelphia, PA 19106.</p> <p>Secondary Contact: James R. Ney, Director, Taxicab and Limousine Division at jney@philapark.org, 215-683-6417 (FAX: 215-683-9437), 2415 South Swanson Street, Philadelphia PA 19148.</p>	
<p>(6) Type of Rulemaking (check applicable box):</p> <p><input checked="" type="checkbox"/> Proposed Regulation</p> <p><input type="checkbox"/> Final Regulation</p> <p><input type="checkbox"/> Final Omitted Regulation</p>	<p><input type="checkbox"/> Emergency Certification Regulation;</p> <p><input type="checkbox"/> Certification by the Governor</p> <p><input type="checkbox"/> Certification by the Attorney General</p>
<p>(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)</p> <p>The Authority has been authorized by the Legislature through the act of July 5, 2012, (P.L. 1022, No. 119) ("Act 119") to issue up to 150 new taxicab medallions over the next 10 years, including medallions designated only for use on wheelchair accessible vehicles. When the Authority assumed regulatory responsibility over all taxicabs and limousines in Philadelphia from the Pennsylvania Public Utility Commission ("PUC") in 2005, all statutorily authorized medallions had already been sold by the PUC. The Authority seeks to promulgate this regulation to provide procedures for the sale of medallions.</p>	
<p>(8) State the statutory authority for the regulation. Include <u>specific</u> statutory citation.</p> <p>Sections 13 and 17 of the act of July 16, 2004, (P.L. 758, No. 94), as amended, 53 Pa.C.S. §§5701 et seq., §§ 5722 and 5742; section 5505(d) of the Parking Authorities Act, act of June 19, 2001, (P.L. 287, No. 22), as amended, 53 Pa. C.S. §§ 5505(d)(17) (d)(23), (d)(24). The act of July 5, 2012, (P.L. 1022, No. 119) ("Act 119"), 53 Pa.C.S. §§ 5711(c)(2) and 5717(b).</p>	
<p>(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action. No.</p>	
<p>(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.</p>	

The Authority has been authorized to sell 150 new medallions, but has no regulations in place to provide for such sales. The entire Philadelphia taxicab industry will benefit from having procedures related to the manner in which medallion bid sales will be conducted.

(11) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations. No.

(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states?

The regulations are substantially similar to those of other states, including New York City. This is a basic regulation related to the manner in which taxicab medallions will be sold through sealed public bids and is not anticipated to have any competitive impact upon the Commonwealth.

(13) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations. No.

(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)

None to date. We anticipate comments and public hearing through this promulgation process.

(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

The regulation will apply to those persons who wish to participate in the public sealed bid process for the sale of medallions. Those participants will be greatly benefited through the existence of clear procedures related to the manner in which the process will be conducted. Nearly every current taxicab medallion owner in Philadelphia is a small business, so those entities will derive the greatest benefit from the regulation. Act 119 permits only 15 new medallions to be sold each year, for 10 years.

(16) List the persons, groups or entities, including small businesses, that will be required to comply with the regulation. Approximate the number that will be required to comply.

We incorporate our response to question No. 15. Because only 15 new medallions may be sold by the Authority each year the number of impacted parties is anticipated to be small; however, the presence of regulations governing the sale process will benefit all concerned.

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

There are currently no regulations to address the medallion sale process by the Authority. The creation of these regulatory guidelines is not anticipated to have any fiscal impact on the taxicab industry. The Legislature opted to authorize the new medallions; this proposed regulation merely creates a process through which that authorization may be realized. We incorporate responses to question Nos. 15 and 16.

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

We incorporate our responses to question Nos. 15, 16 and 17. Every party involved in the public bidding process will benefit from the existence of these procedures and guidelines.

(19) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

There will be no additional costs or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required. Participation in the medallion sale process is voluntary and the requirements associated with qualifying to be a medallion owner remain unchanged from the existing regulations.

(20) Provide a specific estimate of the costs and/or savings to the local governments associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived. None.

(21) Provide a specific estimate of the costs and/or savings to the state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

The Authority will incur costs associated with organization and issuance of the medallions. However, the Authority already reviews approximately 140 medallion sales each year. The review of sales to 15 additional buyers will be born by the existing infrastructure without a recognizable impact. Act 119 permits the Authority to use revenue from the sale of medallions to cover any additional costs that may arise. Those costs will be included in the Authority's annual budget as provided in section 5707(a).

(22) For each of the groups and entities identified in items (19)-(21) above, submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

The existing medallion sale process is intentionally invasive and requires the filing of several forms and documents to assure that prospective medallion owners are economically capable and otherwise competent to safely and legally operate a taxicab business. Except for the completion of a form identifying a bid price, the sale review procedure will be the same as that provided for in the regulations.

(23) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated Community	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Local Government	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Government(PPA)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Savings</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>COSTS:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Regulated Community	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Local Government	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Government	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

<b>Total Costs</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>REVENUE LOSSES:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Regulated Community</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Local Government</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>State Government</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Revenue Losses</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

(23a) Provide the past three year expenditure history for programs affected by the regulation.

<b>Program</b>	<b>FY -3</b>	<b>FY -2</b>	<b>FY -1</b>	<b>Current FY</b>
N/A.	n/a	n/a	n/a	n/a

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

- (a) An identification and estimate of the number of small businesses subject to the regulation.  
N/A
- (b) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record.  
N/A
- (c) A statement of probable effect on impacted small businesses.  
N/A
- (d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.  
N/A

(25) List any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, the elderly, small businesses, and farmers.

None.

(26) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

No other alternative were considered.

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

- a) The establishment of less stringent compliance or reporting requirements for small businesses;  
N/A
- b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses; N/A
- c) The consolidation or simplification of compliance or reporting requirements for small

<p>businesses; N/A</p> <p>d) The establishment of performing standards for small businesses to replace design or operational standards required in the regulation; N/A</p> <p>e) The exemption of small businesses from all or any part of the requirements contained in the regulation. N/A. We incorporate our response to question No. 18.</p>													
<p>(28) If data is the basis for this regulation, please provide a description of the data, explain <u>in detail</u> how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.</p> <p>Data is not the basis for this proposed regulation.</p>													
<p>(29) Include a schedule for review of the regulation including:</p> <table border="0"> <tr> <td style="padding-left: 40px;">A. The date by which the agency must receive public comments:</td> <td>30 days after publication in <i>Pa. B</i></td> </tr> <tr> <td style="padding-left: 40px;">B. The date or dates on which public meetings or hearings will be held:</td> <td>N/A</td> </tr> <tr> <td style="padding-left: 40px;">C. The expected date of promulgation of the proposed regulation as a final-form regulation:</td> <td>January 15, 2014</td> </tr> <tr> <td style="padding-left: 40px;">D. The expected effective date of the final-form regulation:</td> <td>April 15, 2014</td> </tr> <tr> <td style="padding-left: 40px;">E. The date by which compliance with the final-form regulation will be required:</td> <td>Upon publication in <i>Pa. B</i></td> </tr> <tr> <td style="padding-left: 40px;">F. The date by which required permits, licenses or other approvals must be obtained:</td> <td>N/A</td> </tr> </table>		A. The date by which the agency must receive public comments:	30 days after publication in <i>Pa. B</i>	B. The date or dates on which public meetings or hearings will be held:	N/A	C. The expected date of promulgation of the proposed regulation as a final-form regulation:	January 15, 2014	D. The expected effective date of the final-form regulation:	April 15, 2014	E. The date by which compliance with the final-form regulation will be required:	Upon publication in <i>Pa. B</i>	F. The date by which required permits, licenses or other approvals must be obtained:	N/A
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F. The date by which required permits, licenses or other approvals must be obtained:	N/A												
<p>(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.</p> <p>The Authority will analyze information developed through medallion sales over the next 9 years to determine if alterations to the regulations are required.</p>													

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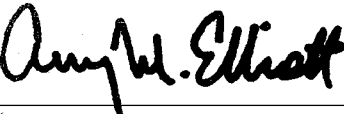
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**FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU**

**(Pursuant to Commonwealth Documents Law)**

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General.

BY   
(DEPUTY ATTORNEY GENERAL)

**OCT 21 2013**

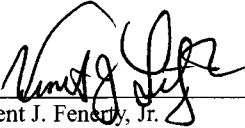
DATE OF APPROVAL

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Philadelphia Parking Authority  
(AGENCY)

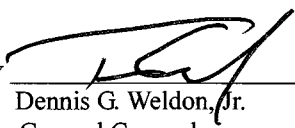
DOCUMENT/FISCAL NOTE NO. Pending with Office of Budget.

DATE OF ADOPTION September 25, 2013

BY   
Vincent J. Fenech, Jr.

TITLE: Executive Director

Copy below is hereby approved as to form and legality. Executive or independent Agencies.

BY   
Dennis G. Weldon, Jr.  
General Counsel

Sept 25, 2013  
DATE OF APPROVAL

Check if applicable. No Attorney General approval or objection within 30 days after submission.

Check if applicable  
Copy not approved. Objections attached

Proposed Rule Making No. 126-6  
Proposed Rulemaking  
Philadelphia Taxicab and Limousine Regulations  
52 Pa. Code Chapter 1013, Subchapter C

The Philadelphia Parking Authority on September 25, 2013, adopted a proposed rulemaking order which to provide for the sale of Philadelphia taxicab medallions by the Authority. The contact person is Dennis G. Weldon, Jr., General Counsel, 215-683-9630.

# THE PHILADELPHIA PARKING AUTHORITY

In Re: Proposed Rulemaking Order :  
Philadelphia Taxicab and :  
Limousine Regulations : Docket No. 126-6  
: :  
:

## PROPOSED RULEMAKING ORDER

### BY THE AUTHORITY:

In accordance with of the act of July 16, 2004, (P.L. 758, No. 94), *as amended*, 53 Pa.C.S. §§5701 *et seq.*, (the “act”),<sup>1</sup> the Authority formally commences its rulemaking process to promulgate regulations to provide regulations related to the sale of taxicab medallions by the Authority. The Authority seeks comments from all interested parties on these proposed regulations, which are found at Annex A to this Order.

#### **A. Background and discussion.**

Pursuant to Section 23 of the Act, the Authority initiated regulatory oversight of taxicab and limousine service providers in Philadelphia on April 10, 2005. The Authority’s regulations may be found at 52 Pa. Code Part II. The Authority has been authorized by the Legislature through the act of July 5, 2012, (P.L. 1022, No. 119) (“Act 119”) to issue up to 150 new taxicab medallions over the next 10 years<sup>2</sup>, including medallions designated only for use on wheelchair accessible vehicles.<sup>3</sup> When the Authority assumed regulatory responsibility over all taxicabs and limousines in Philadelphia from the Pennsylvania Public Utility Commission (“PUC”) in 2005, all statutorily authorized medallions had already been sold by the PUC. The Authority seeks to promulgate this regulation to provide procedures for the sale of medallions.<sup>4</sup>

#### **B. The regulation.**

### SUBCHAPTER C. MEDALLIONS SALES BY THE AUTHORITY.

We propose amending Chapter 1013 “Medallion Taxicabs” to add a new subchapter titled Medallion Sales by the Authority. When the Authority initiated regulation of taxicabs and limousines in 2005, all of the statutorily authorized taxicab medallions had already been issued by the PUC. The Authority’s regulations already provide extensive procedures related to the sale of medallions and other transferable rights between regulated parties, but contain no provisions related to the sale of medallions by the Authority. This regulation is intended to fill that void.

<sup>1</sup> See 53 Pa.C.S. §§ 5722 and 5742 .

<sup>2</sup> See 53 Pa.C.S. § 5711(c)(2)

<sup>3</sup> See 53 Pa.C.S. § 5711(c)(2.1).

<sup>4</sup> The Authority may sell medallions by bid or public auction. 53 Pa.C.S. § 5717(b)(1).

§ 1013.31. *Purpose and definitions.*

We propose adding this section to identify the purpose of the proposed subchapter and to provide certain definitions.

The term “bidder” identifies those who may purchase a medallion from the Authority through the submission of a bid. The term is restricted to existing medallion owners and those who have submitted an application to become a medallion owner as provided in § 1013.32 (relating to bidder qualifications). We believe that existing medallion owners and those who have been prequalified, or at least previewed, before the bidding date will have a higher likelihood of successfully completing the sale process and otherwise comply with the requirements of the act and the regulations.

Most medallion owners are small corporations and many of those corporations are controlled through stock or other forms of ownership by only a few individuals. For purposes of transparency the term “bidder” includes a person with a controlling interest in an entity that is a bidder. The term person with a controlling interest is defined in § 1011.2 (relating to definitions) and used here as anticipated in Section 5717(b)(5)(ii) of the act.

The term “closing deadline” identifies the date that the sale of a medallion through the bid process must be completed. The purpose of setting a deadline is to hasten the deployment of the medallions into service following the bid date. The closing deadline will be identified in the notice of the bidding date, which will be published in the *Pennsylvania Bulletin*.

The term “special restrictions” identifies requirements that may be placed on a medallion prior to sale, such as a requirement that the medallion only be attached to a wheelchair accessible vehicle. Special restrictions related to a given medallion will be included in the notice of the bidding date related to the respective medallion.

The term “upset price” identifies the minimum bid that will be accepted for a medallion.

§ 1031.32. *Bidder qualifications.*

We propose adding this section to establish bidder threshold requirements. In order to participate in a public bid for a medallion, the bidder must be an existing medallion owner or have already submitted an application for that certification. We believe that existing medallion owners and those who have been prequalified, or at least previewed, before the bidding date will have a higher likelihood of successfully completing the sale process and otherwise comply with the requirements of the act and the regulations. The bidder must be in good standing with the Authority, meaning they are otherwise eligible to obtain or renew a medallion certificate of public convenience. Bids submitted by unqualified bidders will be considered non-responsive.



*§ 1013.33. General Provisions.*

We propose adding this section to clarify that Authority sales of medallions will be through sealed public bids and that medallions may be sold with special restrictions, such as the need to be attached to a wheelchair accessible vehicle as anticipated in Section 5717(c)(1) of the act.

*§ 1013.34. Notice of medallion sale by the Authority.*

We propose adding this section to identify the minimum information that will be provided in a notice of a medallion sale. The notice is required by section 5717(b)(1) and must be published in the *Pennsylvania Bulletin* at least 60 days before bids are due.

*§ 1013.35. Procedures for Bidding.*

We propose adding this section to identify bidding procedures. The regulation is specific as to the manner in which the sealed bid must be submitted and what must be enclosed with the bid, including a non-refundable \$5,000 deposit charged to the highest conforming bidder and which will be applied to the successful bidder's purchase price. The regulation also specifically identifies criteria for the immediate identification of a bid as "non-responsive".

*§ 1013.36. Bid Opening.*

We propose adding this section to provide procedures related the opening of sealed bids. Bids will be opened at the time and location designated in the notice required by § 1013.34. The procedure for dealing with high bids is also provided. All bidders or a qualified representative of the bidder must be present at the bid opening. Successful bidders will be specifically identified in a list published on the Authority's website. Unsuccessful bidders will also be identified in descending order from highest bid.

*§ 1013.37. Medallion bid approval process and closing on sale.*

We propose adding this section to identify the process through which successful bidders will be vetted for final approval of the medallion sale. The review process will proceed in a substantially similar manner to that applied to any buyer of a medallion (from a third party) as provided in this part. The proposed sale will be published in the *Pennsylvania Bulletin*, subject to protest and require Board approval before closing may be scheduled. Medallions will be sold with the anticipation that the buyers intend to use them as required by law and these regulations. Rapid turn around sales or "flipping" are discouraged. The proposed regulation is intended to discourage this behavior through graduated fee transfer disincentives during the first 3 years after purchase, with certain specified exemptions to address cases in which the sale is at no fault or design of the owner.

## CONCLUSION

The Authority, therefore, formally commences its rulemaking process to promulgate this regulation to become part of 52 Pa. Code Part II in a manner consistent with Annex A to this Order. The Authority seeks comments from all interested parties on this proposed body of regulations, which are found at Annex A to this Order. The Authority hereby advises that all comments submitted in response to this Order will be posted, without redaction of name, address, or other personal information or comment provided, on the website of the Independent Regulatory Review Commission, which may be reached at 717-783-5417.

Accordingly, under sections 13 and 17 of the Act, 53 Pa.C.S. §§ 5722 and 5742; section 5505(d) of the Parking Authorities Act, act of June 19, 2001, (P.L. 287, No. 22), *as amended*, 53 Pa. C.S. §§ 5505(d)(17), (d)(23), (d)(24); sections 201 and 202 of the Act of July 31, 1968, P.L. 769 No. 240, 45 P.S. §§ 1201-1202, and the regulations promulgated thereunder at 1 Pa. Code §§ 7.1, 7.2, and 7.5; section 204(b) of the Commonwealth Attorneys Act, 71 P.S. 732.204(b); section 745.5 of the Regulatory Review Act, 71 P.S. § 745.5, and Section 612 of the Administrative Code of 1929, 71 P.S. § 232, and the regulations promulgated at 4 Pa. Code §§ 7.231-7.234 the Authority proposes adoption of the regulations set forth in Annex A, attached hereto;

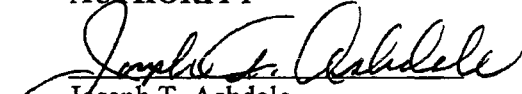
**THEREFORE,**

### IT IS ORDERED:

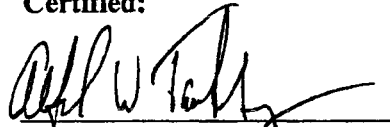
1. That a proposed rulemaking be opened to consider the regulation set forth in Annex A.
2. That the Executive Director shall submit this proposed rulemaking Order and Annex A to the Office of Attorney General for review as to form and legality.
3. That the Executive Director shall submit this proposed rulemaking Order and Annex A for review and comments to the Independent Regulatory Review Commission and the Legislative Standing Committees.
4. That the Secretary of the Board shall certify this proposed rulemaking Order and Annex A and that the Executive Director shall deposit them with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.
5. That an original and 15 copies of any written comments referencing the docket number of the proposed regulation be submitted within 30 days of publication in the *Pennsylvania Bulletin* to the Philadelphia Parking Authority, Attn: General Counsel, 701 Market Street, Suite 5400, Philadelphia, PA 19106.
6. That a copy of this proposed rulemaking Order and Annex A shall be served on the City of the First Class Taxicab and Limousine Advisory Committee and a copy shall be posted on the Authority's website at [www.philapark.org/tld](http://www.philapark.org/tld).

7. That the contact person for this proposed rulemaking is James R. Ney, Director, Taxicab and Limousine Division, (215)-683-9417.

**THE PHILADELPHIA PARKING  
AUTHORITY**

  
Joseph T. Ashdale  
Chairman  
(SEAL)

**Certified:**

  
Alfred W. Taubenberger  
Vice-Chairman/Secretary  
(SEAL)

ORDER ADOPTED: September 25, 2013  
ORDER ENTERED: September 25, 2013

# ANNEX "A"

## **SUBCHAPTER C. MEDALLION SALES BY THE AUTHORITY**

### **§ 1013.31. Purpose and definitions.**

(a) This subchapter establishes the public bidding process through which the Authority will sell taxicab medallions as authorized by the act.

(b) The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

*Bidder*—A person qualified pursuant to § 1013.32 (relating to bidder qualifications) to submit a sealed bid for a taxicab medallion sold by the Authority. The term includes any person with a controlling interest in an entity that submits a bid for one or more medallions.

*Closing Deadline*—The date by which a successful bidder must complete the approval process and the closing on the sale of a medallion.

*Special restriction*—Limitations placed upon a medallion by the Authority in addition to restrictions provided for in the act, this part or an order of the Authority. For example, a medallion sold by the Authority may include a restriction that the medallion only be attached to a wheelchair accessible vehicle.

*Upset price*—The dollar amount below which a medallion will not to be sold.

### **§ 1013.32. Bidder qualifications.**

(a) To participate as a bidder, a person must be a medallion taxicab certificate holder or person authorized as provided in subsection (b) and a person in good standing with the Authority. For the purposes of this section, “a person in good standing with the Authority” is a person that meets the following criteria:

(1) Is qualified to buy transferable rights as provided in Chapter 1027 (relating to sale of rights).

(2) Is qualified to renew a transferable right as provided in § 1011.3 (related to annual rights renewal process).

(3) Has not sold a medallion in the most recent 365 days.

(4) Does not currently own and is not a person having a controlling interest in an entity that owns a medallion that is in a suspended status as provided in § 1011.14 (relating to voluntary suspension of certificate).

(b) A person that is not a medallion taxicab certificate holder may submit a bid for a medallion if the person has requested a new medallion taxicab certificate through the filing of an SA-1 application as provided in §1027.6 (relating to application for sale of transferable rights) and the request has not been denied by the Authority prior to the date bids are due. In order to qualify to

bid as a pending medallion taxicab certificate holder, the SA-1 must be filed 45 days or more before the date bids are due. Participation in the bidding process will not guarantee the issuance of the medallion taxicab certificate by the Authority.

(c) Bids submitted in violation of this subsection will be considered non-responsive.

**§ 1013.33. General Provisions.**

(a) *Sale by Sealed Bid.* The Authority will sell taxicab medallions by sealed bid.

(b) *Restriction of medallion rights.* A medallion offered for sale by the Authority may have restrictions attached to it that will run with the medallion in perpetuity or for a shorter expressed period. The Authority will issue all restrictions by order and identify any medallion to which any restriction will apply in the notice of the sale as provided in section 5717(b)(1) of the act (relating to additional certificates and medallions).

(c) *Separate Public Sales.* Separate sales may be conducted for each medallion to be sold by the Authority.

**§ 1013.34. Notice of medallion sale by the Authority.**

Notice of a proposed sale of a medallion by the Authority will be published in the *Pennsylvania Bulletin* 60 days or more before the sealed bids will be due from bidders. The notice will include the following:

(1) The date and time on which bids are due.

(2) The location where bids are due.

(3) The number of medallions to be sold.

(4) Special restrictions that have been attached to any medallion. Restrictions will be identified and linked to the medallion number identified in the public notice.

(5) The upset price for each medallion.

(6) The maximum number of medallions a bidder may purchase at each public bidding session.

(7) The mandatory closing date.

(8) Other terms of sale.

**§ 1013.35. Procedures for Bidding.**

(a) *Bid submissions.* Each Bidder must do the following:

(1) Submit the bid in a 9" x 12" sealed envelope. The exterior of the sealed envelope shall identify, in the English language and with Arabic numerals, the medallion number for which the bid is intended and any additional information identified in the notice provided pursuant to § 1013.33 (relating to notice of medallion sale by the Authority). All information required by this paragraph shall be in black ink with characters no smaller than 1 inch high and 1/2 inch wide. For example, a sealed bid for medallion 9999 must display the following on the outside of the sealed envelope: "Bid for medallion 9999".

(2) Submit only one bid, rounded to the nearest dollar increment, for one medallion per envelope.

(3) Submit the bid amount on a completed Form No. MA-2 "Bid Cover" in the sealed and marked envelope. The MA-2 is available at [www.philapark.org/tld](http://www.philapark.org/tld).

(4) Include with each bid inside the sealed envelope, the following:

(i) A deposit of \$5,000 in a certified check, bank check or money order drawn on a Federally- or State-insured bank payable to the "Philadelphia Parking Authority". The deposit will be non-refundable as to the highest conforming bidder and credited toward the sale price if the sale is approved.

(ii) A bank statement in the name of the bidder evidencing sufficient funds to purchase the medallion or a letter of commitment for no less than eighty percent of the bid amount, issued by a bank, credit union or other lender licensed to do business in the Commonwealth of Pennsylvania.

(5) Submit each sealed bid by hand delivery at the time and place designated in the sale notice as provided in § 1013.34 (relating to notice of medallion sale by the Authority).

(b) *Late Bids.* Any bid presented to the Authority after the time designated or to a location other than that designated in the sale notice as provided in § 1013.34 will not be accepted.

(c) *Required Certifications.* The MA-2 will include provisions through which each bidder must provide the following information with an accompanying verification:

(1) The bidder has not relied on any statements or representations from the Authority in determining the amount of the bid.

(2) The bidder has not colluded, consulted, communicated, or agreed in any way with any other bidder or prospective bidder for the purpose of restricting competition or of inducing any other prospective bidder to submit or not to submit a bid for the purpose of restricting competition.

(3) The bidder has not disclosed any bid price, directly or indirectly, to any other bidder for the purpose of restricting competition or of inducing any other prospective bidder to submit or not to submit a bid for the purpose of restricting competition.

(4) The bidder is not an owner, partner, member, shareholder, key employee of any other bidder and that the bidder is not a person with a controlling influence over any other bidder.

(d) *Non-Responsive Bids.* The following will be considered “non-responsive” bids and will be rejected:

(1) Bids that do not comply with the requirements of this section.

(2) Bid packages containing bids for more than one medallion.

(3) Bids that are non-responsive or non-conforming in any other respect.

(4) Bids below the upset price.

(e) *All Bids Final.* All bids are considered final and no bidder will be allowed to correct any bid after submission.

#### **§ 1013.36. Bid Opening.**

(a) The sealed bids will be opened in public and not before the time designated in the notice of a proposed sale provided pursuant to this subchapter.

(1) Each bidder, or an individual authorized as the bidder’s representative as provided in § 1001.28 (relating to power of attorney), must be present at the bid opening in order to address any issues that may arise during the bidding process, including the event of a tie bid.

(2) The winning bid for each medallion will be the highest bid for that medallion that is complete and responsive.

(3) Tie bids will be decided through subsequent sealed bids between only the tied bidders. The sealed bids to break the tie shall be submitted on the same day as the bid opening pursuant to the instructions of the Director. This process will also be used to determine tie bids for placement on the list as provided in subsection (b).

(4) The winning bids will be announced at the public sale, posted in the lobby of the TLD’s Headquarters, and listed on the Authority’s website at [www.philapark.org/tld](http://www.philapark.org/tld).

(5) The winning bidder will be notified by the Authority of its winning bidder status as provided in § 1001.51(b)(3)(relating to service by the Authority).

(6) The winning bidder must appear before the Director or his designee at TLD Headquarters within 5 business days of notice of the winning bid to acknowledge acceptance of the medallion and to confirm that all sale documentation has been properly completed and filed as provided in Chapter 1027 (relating to sale of rights).

(b) *Non successful bid review.*



(1) A list of all responsive, non-successful bids in the order from the highest bid amount will be produced and maintained by the Authority for each medallion subject to sale by the Authority.

(2) If the successful bidder is not approved by the Authority or fails to close on the sale of the medallion by the date designated in § 1013.34 (relating to notice of medallion sale by the Authority) the Director may notify the highest non-successful bidder as provided in § 1001.51(b)(3) and allow the bidder the opportunity to be a successful bidder and complete the sale process as provided in this subchapter.

(3) The highest non-successful bidder shall notify the Director of its decision to become a successful bidder within 5 business days of notice. In the event the noticed non-successful bidder elects not to become a successful bidder, the Director may proceed to notify non-successful bidders in order of highest to lowest bid until a successful bidder is obtained.

(4) The Director may amend the mandatory closing date by a period no greater than the time between the bid date and the date the next highest ranking bidder accepts the Director's invitation to become a successful bidder.

(5) The Director may, in his discretion, request authorization from the Board to re-advertise the bid process for any medallion after the sale of the medallion to the original successful bidder fails to close by the date designated in § 1013.34.

(c) *Assignment of the Winning Bid.* A winning bidder may not assign its rights to the winning bid status; any such assignment is void.

#### **§ 1013.37. Medallion bid approval process and closing on sale.**

(a) The sale of a medallion to a successful bidder will be prohibited if that bidder is not qualified to be a medallion certificate holder pursuant to the act and this part.

(b) For purposes of reviewing the potential sale of a medallion, the Authority will consider the successful bidder to be the proposed buyer as provided in this part.

(c) If the Director determines that the successful bidder is qualified as provided in the act, this part or an order of the Authority, a recommendation to approve the sale will be presented to the Board for approval at its next regularly scheduled meeting.

(d) Upon approval of the sale by the Authority, the Director will schedule the parties to meet at a time and location where an Authority staff member will witness the closing of the transaction.

(e) An Authority staff member shall witness the execution of each document by the proposed buyer, or its designated agent. Any closing not witnessed by Authority staff is void as provided in sections 5711(c)(5) and 5718 of the act (relating to power of authority to issue certificates of public convenience; and restrictions).

(f) The Authority will issue a new medallion taxicab certificate to the new medallion owner after the closing process if requested by the proposed buyer as provided in § 1013.32(b) (relating to bidder qualifications.)

(g) Except as provided in subsection (h), a medallion subject to a completed closing after sale by the Authority may not be transferred or sold for a period of 3 years from the date of closing, except as follows:

(1) A medallion sold within one year of closing will be subject to a transfer fee 15 times greater than that provided in the Authority's fee schedule as provided in section 5710(a) of the act (relating to fees).

(2) A medallion sold within two years of closing will be subject to a transfer fee 12 times greater than that provided in the Authority's fee schedule as provided in section 5710(a) of the act.

(3) A medallion sold within three years of closing will be subject to a transfer fee 10 times greater than that provided in the Authority's fee schedule as provided in section 5710(a) of the act.

(h) Subsection (g) shall not apply to the sale of a medallion in the following circumstances:

(1) When each person that owns securities of the corporation, partnership, limited liability company or other form of legal entity that owns a medallion sold pursuant to this subchapter has died or is declared incapacitated.

(2) When a person that owns securities of the corporation, partnership, limited liability company or other form of legal entity that owns a medallion sold pursuant to this subchapter has died or is declared incapacitated and that person's securities are transferred to the medallion owning entity or another owner of securities in the entity that owns the medallion.



701 MARKET STREET  
SUITE 5400  
PHILADELPHIA, PA 19106  
215.683.9600

October 29, 2013

The Honorable Silvan B. Lutkewitte, III  
Chairman  
Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

Re: Docket No. and Agency/ID No. 126-6  
Proposed Rulemaking  
Philadelphia Taxicab & Limousine Regulations  
52 Pa. Code Part II  
Taxicab Medallion Sales

Dear Chairman Lutkewitte:

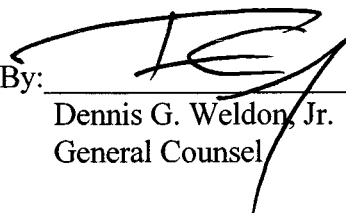
The Philadelphia Parking Authority ("Authority") hereby submits its proposed rulemaking and regulatory analysis form to the Independent Regulatory Review Commission for review pursuant to Section 5(a) of the Regulatory Review Act of June 30, 1989 (P.L.73, No. 19) (71 P.S. §§745.1-745.15). Also enclosed is the Authority's Proposed Rulemaking Order entered September 25, 2013 (preamble) and the "Face Sheet" required by 1 Pa. Code §13.12.

The proposed regulation will provide the regulatory framework for the sale of Philadelphia taxicab medallions.

The contact person is the undersigned and may be contacted at 215-683-9630.

The proposal has been deposited for publication with the Legislative Reference Bureau.

Very truly yours,  
The Philadelphia Parking Authority

By:   
Dennis G. Weldon, Jr.  
General Counsel

DGW/pdm  
Enclosures

cc: Vincent J. Fenerty, Jr., Executive Director  
James R. Ney, Director, TLD



TRANSMITTAL SHEET FOR REGULATIONS SUBJECT  
TO THE REGULATORY REVIEW ACT

ID Number: 126-6

Subject: Regulation to provide for the taxicab medallion sales  
Philadelphia Parking Authority


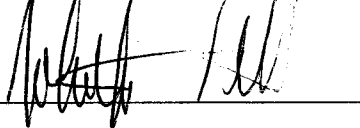

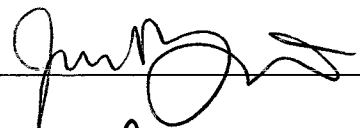


TYPE OF REGULATION

- Proposed Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted.
- Final Regulation
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor

2013 OCT 29 PM 1:34

RECEIVED  
IRRC

FILING OF REPORT

<u>Date</u>	<u>Signature</u>	<u>Designation</u>
<u>10-29-13</u>		<u>HOUSE COMMITTEE</u> (Gillierpie) Urban Affairs
<u>10-29-13</u>		
<u>10-29-13</u>		<u>SENATE COMMITTEE</u> (Tomlinson) <b>Room 281</b> Consumer Protection and Professional Licensure
<u>10-29-13</u>		
<u>10/29/13</u>		Independent Regulatory Review Commission
<u>10/29/13</u>		Attorney General Legislative Reference Bureau