

# **Bond Case Briefs**

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## **IMMUNITY - NEW YORK**

### **Metropolitan Taxicab Bd. of Trade v. New York City Taxi & Limousine Com'n**

**Supreme Court, Appellate Division, First Department, New York - March 18, 2014 - N.Y.S.2d - 2014 N.Y. Slip Op. 01683**

Taxi owners who leased their taxis to drivers, and their trade association, commenced hybrid Article 78 proceeding challenging Taxi and Limousine Commission's (TLC) rule prohibiting taxi lessors from collecting sales tax in addition to standard lease cap, and action for a declaratory judgment. The Supreme Court, New York County dismissed the complaint. Plaintiffs appealed. The Supreme Court, Appellate Division affirmed, and leave to appeal was granted. The Court of Appeals reversed. On remand, the Supreme Court, New York County denied plaintiffs' motion for incidental damages. Plaintiffs appealed.

The Supreme Court, Appellate Division, held that:

- Plaintiffs were not entitled to an award of incidental damages, and
- Doctrine of governmental immunity shielded TLC from liability for incidental damages.

Taxi owners were not entitled to an award of incidental damages, although Court of Appeals determined that TLC's effective reduction of taxi lease cap had no rational basis, where TLC never collected any funds it was obligated to reimburse to owners, or kept any funds it should have paid to owners.

Doctrine of governmental immunity shielded Taxi and Limousine Commission from liability for incidental damages in hybrid Article 78 proceeding and declaratory judgment action challenging TLC's rule prohibiting taxi lessors from collecting sales tax in addition to standard lease cap, where TLC's determination, however unjustified it may have been, was an exercise of discretion, in that TLC considered issue of imposing the tax rule and decided to impose it.