

1 Increase in cap on mean gate fee for taxis and increase in taxi fares; future caps on mean
2 gate fee and future taxi fares determined by Controller based on Consumer Price Index]

3 **Ordinance amending Sections 1079, 1135, 1135.1, and 1137 of the Police Code, and**
4 **adding Section 1137.5, to increase the mean gate fee cap for taxis to \$91.50 per shift,**
5 **provided that certain conditions are fulfilled, and allowing for the sunseting of the**
6 **increase under certain circumstances; increase rates of fare for taxicabs to \$2.85 for**
7 **the first fifth of a mile, \$0.45 for each additional fifth of a mile or fraction thereof, and**
8 **\$0.45 for each one minute of waiting or traffic delay time; require the Controller to make**
9 **future determinations every even-numbered year as to the mean gate fee cap and the**
10 **rates of fare for taxicabs, based on changes in the Consumer Price Index and related**
11 **information submitted to the Controller by taxicab companies, with such**
12 **determinations going into effect unless disapproved or modified by Board resolution;**
13 **provide for offsetting increased costs to the paratransit program arising from meter**
14 **fare increases; and prescribe a role for the Controller in analyzing the economic impact**
15 **of prospective or actual decisions by the Taxi Commission and/or Board of Appeals to**
16 **authorize the issuance of additional taxi permits, and recommending legislative**
17 **adjustments to address adverse economic impacts.**

18 Note: Additions are single-underline italics Times New Roman;
19 deletions are ~~strikethrough italics Times New Roman~~.
20 Board amendment additions are double underlined.
21 Board amendment deletions are ~~strikethrough normal~~.

21 Be it ordained by the People of the City and County of San Francisco:

22 Section 1. The San Francisco Police Code is hereby amended by amending Section
23 1135.1, to read as follows:

24 Sec. 1135.1 GATE FEES.

25 (a) Cap on Gate Fees. The mean gate fee charged drivers by a taxicab company

1 may not exceed ~~\$83.50~~\$85.00 for a shift of 10 hours or longer. The cap shall be prorated at
2 ~~\$8.35~~ \$8.50 per hour for shifts shorter than 10 hours. The mean gate fee shall be determined
3 by adding together the gate fees charged by the company for all available shifts during one
4 week and dividing that total by the number of available shifts during the week. The
5 aforementioned cap on gate fees and the higher cap on gate fees provided for in subsection (b) shall
6 become operative on January 1, 2003 or, if the effective date of the Ordinance creating the higher cap
7 on gate fees occurs thereafter, on the effective date of that Ordinance.

8 (b) Higher Cap on Gate Fees. Notwithstanding the provisions of subsection (a), the mean
9 gate fee charged drivers by a taxicab company may not exceed \$91.50 for a shift of 10 hours or longer
10 and the cap shall be prorated at \$9.15 per hour for shifts shorter than 10 hours, provided that the
11 following conditions are met once they take effect:

12 (i) The taxicab company is in compliance with the rules and regulations established by the
13 Controller of the City and County of San Francisco pursuant to Section 1095(b) of this Article. This
14 condition shall take effect on January 1, 2003 or, if the effective date of the Ordinance creating the
15 higher cap on gate fees occurs thereafter, on the effective date of that Ordinance. "Compliance" shall
16 mean that by no later than January 1, 2003 or, if the effective date of the Ordinance creating the higher
17 cap on gate fees occurs thereafter, by no later than the effective date of that Ordinance, the taxicab
18 company has submitted the information required by the Controller's rules and regulations for the most
19 recent year the information is required, and by no later than April 1, 2003 the taxicab company has
20 submitted the information required by the Controller's rules and regulations for the three most recent
21 years the information is required. The condition that the taxicab company be in compliance with the
22 Controller's rules and regulations is ongoing; hence, the right to charge the higher mean gate fee
23 authorized by this subsection is dependent on continued fulfillment of this condition.

24 (ii) All taxicabs operating under the taxicab company's color scheme are covered by
25 workers' compensation insurance. This condition shall take effect on May 1, 2003. The taxicab

1 company shall not be deemed to fulfill this condition until the taxicab company has submitted to the
2 Taxi Commission proof that the condition is fulfilled. This condition is an ongoing condition, and the
3 aforementioned requirement for proving that the condition is fulfilled is an ongoing requirement;
4 hence, the right to charge the higher mean gate fee authorized by this subsection is dependent on
5 continued fulfillment of the condition and continued compliance with the proof requirement.

6 ~~(b)(c)~~ “Gate Fee” Defined. For the purposes of this Section, “gate fee” shall mean any
7 monetary fee or other charge or consideration, or any combination thereof, required of a driver
8 other than a permit-holder for the privilege of driving a taxicab during a particular shift, or for
9 any period of time, including receipt of all services provided in connection with such privilege,
10 whether said fee is set by contract, lease or other agreement, orally or in writing, and whether
11 said fee is paid by the driver as a flat rate, as a commission on receipts from fares, or as a
12 specified fee for any other purpose.

13 ~~(e)(d)~~ *Chief's* Regulations; Penalties. The *Chief of Police Taxi Commission* may, from
14 time to time and after a noticed public hearing, adopt regulations to carry out the purposes of
15 this Section. Violation of any provision of this Section, or of any regulation adopted pursuant
16 to this Section, may be cause for revocation or suspension of any permit granted to the
17 violator by the City and County related to the operation of taxicabs or other motor vehicles for
18 hire, or for the imposition of any other penalties authorized under this Article.

19 ~~(d)(e)~~ Evaluation By Taxi Commission. The Taxi Commission shall evaluate the impact
20 of this ordinance and any lease fee cap and report back to the Board of Supervisors within
21 nine months of the final adoption of this ordinance.

22 ~~(e)(f)~~ Operative Date. This Section shall only become operative on the date that the
23 fare increases authorized in Ordinance No. 188-98 become operative.

24 (g) *Sunset Provisions Pertaining To Higher Cap On Gate Fees. Subsection (b) shall expire*
25 by operation of law under either of the circumstances described below.

1 (i) By no later than May 1, 2003, the Controller shall submit a recommendation to the
2 Board of Supervisors for a specific long-term lease fee cap covering all long-term lease drivers. If
3 within 90 days of the Controller's submission of a recommendation, or, if the Controller fails to meet
4 the deadline for submitting a recommendation, by no later than August 1, 2003, the City fails to enact
5 into law an ordinance prescribing a specific long-term lease fee cap covering all long-term lease
6 drivers, subsection (b) shall expire.

7 (ii) By no later than October 1, 2003, the Controller shall submit a recommendation to the
8 Board of Supervisors for enactment of a program that would make a substantial and reasonable degree
9 of health insurance or health benefits available to all taxi drivers. The Controller's recommendation
10 shall be based on his study of the health insurance/health benefits issue, which shall include
11 consultation with City departments having expertise in one or more dimensions of the issue. If, within
12 90 days of the Controller's submission of a recommendation, or, if the Controller fails to meet the
13 deadline for submitting a recommendation, by no later than January 1, 2004, the City fails to enact into
14 law an ordinance that establishes a program that makes a substantial and reasonable degree of health
15 insurance or health benefits available to all taxi drivers, subsection (b) shall expire, unless the
16 Controller certifies that it is not feasible for the City to establish such a program.

17 Section 2. The San Francisco Police Code is hereby amended by amending Section
18 1135, to read as follows:

19 Sec. 1135. RATES FOR TAXICABS.

20 (a) The rates of fare for taxicabs shall be as follows: ~~\$2.50~~ \$2.85 for the first ~~sixth~~ fifth
21 of a mile or "flag"; ~~\$0.40~~ \$0.45 for each additional fifth of a mile or fraction thereof; ~~\$0.40~~ \$0.45
22 for each one minute of waiting or traffic delay time. The aforementioned rates of fare for taxicabs
23 shall become operative on January 1, 2003 or, if the effective date of the Ordinance creating the higher
24 cap on gate fees provided for in Section 1135.1(b) of this Article occurs thereafter, on the effective date
25 of that Ordinance. For out-of-town trips exceeding 15 miles beyond City limits, the fare will be

1 150 percent of the metered rate; for trips exceeding 15 miles from San Francisco International
2 Airport and not terminating within the City limits of San Francisco, the fare will be 150 percent
3 of the metered rate except for those trips from San Francisco International Airport traversing
4 through San Francisco going to Marin County or to the East Bay the 15-mile limit will apply
5 from the City limits of San Francisco as set forth above. For taxicab trips originating at San
6 Francisco International Airport that incur an airport trip fee, the taxicab driver may collect
7 \$2.00 of that trip fee from the passenger upon receipt of cab fare from the passenger.

8 ~~(b) — For trips within the San Francisco City limits by elderly or handicapped persons who
9 have been deemed eligible under San Francisco's paratransit services program to pay for
10 transportation with scrip redeemable by participating taxicab operators from the Paratransit Program
11 for cash, the fare shall be at the rate less an eight percent discount for the first year commencing with
12 the effective date of this ordinance and said discount thereafter shall be negotiated as required by the
13 San Francisco Public Transportation Commission with participating San Francisco taxicab operators.~~

14 ~~(e)(b)~~ The driver of a public passenger vehicle may transport two or more passengers
15 who voluntarily agree to share the vehicle from the same boarding point to one destination
16 point. Each passenger shall pay a fare at the destination point in an amount equal to the total
17 fare divided by the number of passengers sharing the ride.

18 ~~(d)(c)~~ A passenger who first engages a public passenger vehicle has the exclusive
19 right to conveyance therein to his or her destination. The driver shall not solicit or accept any
20 additional passenger without the prior consent of any passenger who has previously engaged
21 the vehicle.

22 ~~(e)(d)~~ It shall be unlawful for any taxicab operator or taxicab dispatch service to levy an
23 administrative fee, service charge, processing fee, or other surcharge on drivers of taxicabs
24 for trips paid with scrip, credit cards or other non-cash tender.

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1 Section 3. The San Francisco Police Code is hereby amended by amending Section
2 1137, to read as follows:

3 Sec. 1137. REVIEW OF RATES OF FARE AND CAP ON GATE FEES.

4 The rates provided in Sections 1135 and 1136 of this Article and the cap on gate fees
5 provided in Section 1135.1 of this Article shall be reviewed by the ~~Board of Supervisors between~~
6 ~~September 1st and December 1st of each year in odd-numbered years, beginning with 1999.~~ Controller
7 in even-numbered years, beginning with 2004. Not later than August 1st of each ~~odd-numbered~~
8 ~~even-numbered~~ year, the Controller shall transmit to the Board of Supervisors a ~~recommendation~~
9 ~~for determination as to~~ increases or decreases in the rates of fare for taxicabs and an increase or
10 decrease in the cap on gate fees based upon changes in the Consumer Price Index since the
11 prior ~~review of rates determination, and related information submitted to the Controller pursuant to~~
12 Section 1095(b) of this Article. The Controller's August 1, 2004 determination as to increases or
13 decreases in the rates of fare for taxicabs and an increase or decrease in the cap on gate fees shall be
14 based upon changes in the Consumer Price Index since January 1, 2003, and related information
15 submitted to the Controller pursuant to Section 1095(b) of this Article. In addition, the Controller's
16 August 1, 2004 determination both as to increases or decreases in the rates of fare for taxicabs and as
17 to an increase or decrease in the cap on gate fees shall include appropriate adjustments to ensure, in
18 accordance with the procedure provided for in Section 1137.5 of this Article, that appropriate sums are
19 collected to offset the increased monthly cost of paratransit scrip incurred by the paratransit
20 program, except if the voters of the City and County of San Francisco have reauthorized a new sales tax
21 to fund transportation.

22 The Controller's determination as to increases or decreases in the rates of fare for taxicabs and
23 an increase or decrease in the cap on gate fees shall take effect on November 1 of the even-numbered
24 year in which the Controller makes the determination, and shall remain in effect through October 31 of
25 the next even-numbered year, unless the following events occur: (i) By September 1 of the even-

1 numbered year in which the Controller makes the determination the Board of Supervisors by resolution
2 determines that the Board, or a committee thereof, should hold a hearing on the Controller's
3 determination; (ii) by October 1 of that year a hearing is held in accordance with the aforementioned
4 resolution; and (iii) by October 31 of that year the Board adopts a resolution disapproving or
5 modifying the Controller's determination. Any resolution modifying the Controller's determination
6 shall be based upon changes in the Consumer Price Index, costs recently incurred and expected to be
7 incurred by drivers and color scheme permitholders, projected income of drivers and projected
8 revenues of color scheme permitholders, and local economic conditions. If all three events occur, the
9 Controller's determination shall not go into effect on November 1 of that year.

10 The Controller's determination as to increases or decreases in the rates of fare for taxicabs and
11 an increase or decrease in the cap on gate fees shall, beginning January 1, 2006, treat the higher mean
12 gate fee cap of \$91.50, provided for in Section 1135.1(b), as if it were \$90.00 when instituted, and treat
13 the higher meter rate of \$2.85 for the first fifth of a mile or "flag," as provided for in Section 1135(a),
14 as if it were \$2.75 when instituted. In addition, the Controller's determination as to increases or
15 decreases in the rates of fare for taxicabs and an increase or decrease in the cap on gate fees shall,
16 beginning January 1, 2006, make a similar accounting for any adjustments made in the Controller's
17 August 1, 2004 determination designed to offset increased costs to the paratransit program arising
18 from further increases in meter rates.

19 In cases where the holder of more than one permit to operate a sedan, limousine or
20 taxicab fails to render a financial report within the time prescribed and in such form as the
21 Controller may request, for the purpose of ~~obtaining data for the Board of Supervisors in relation~~
22 ~~to the review of rates~~ reviewing the rate of fare for taxicabs and the cap on gate fees and making a
23 determination as to increases or decreases in the rates of fare for taxicabs and an increase or decrease
24 in the cap on gate fees, such failure shall be a basis for cancellation of such permits by the
25 Police Taxi Commission, provided such cancellation is approved by the Board of Supervisors.

1 Section 4. The San Francisco Police Code is hereby amended by adding Section
2 1137.5, to read as follows:

3 SEC. 1137.5. INCREASED COST OF PARATRANSIT PROGRAM.

4 From January 1, 2003 through December 31, 2005, MUNI shall calculate on a monthly basis
5 the increased cost of paratransit scrip incurred by the paratransit program as a result of the increase
6 in rates of fare for taxicabs provided for in this Ordinance or any increase in rates of fare for taxicabs
7 resulting from the Controller's determination or any modification thereof as provided for in Section
8 1137. The increased monthly cost of paratransit scrip shall be divided equally among all taxicab
9 permits in operation, to achieve an average increased cost per taxicab permit for each month. From
10 January 1, 2003 through December 31, 2005, that cost shall be allocated to color scheme
11 permitholders on a monthly pro rata basis, dependent on the number of taxicab permits affiliated with
12 each color scheme. By January 15, 2003, the Taxi Commission shall adopt procedures for calculating
13 and collecting appropriate sums from color scheme permitholders to offset the increased monthly cost
14 of paratransit scrip incurred by the paratransit program. If the voters of the City and County of San
15 Francisco reauthorize a new sales tax to fund transportation, the Board of Supervisors shall convene a
16 hearing to consider whether it is necessary to continue the program designed to offset MUNI's
17 increased paratransit costs pursuant to this Section.

18 Section 5. The San Francisco Police Code is hereby amended by amending Section
19 1079, to read as follows:

20 SEC. 1079. ISSUANCE OF PERMITS; APPLICATIONS; HEARINGS.

21 (a) Scope of Section. To the extent the provisions of this Section and Sections
22 1080 through 1088 of this Article are inconsistent with the provisions of Sections 2.1 through
23 2.30 of Article I of the San Francisco Police Code, the provisions of this Article shall be
24 applicable to all permits for the operation of motor vehicles for hire granted pursuant to this
25 Article; provided, however, that certain alternative and additional provisions with respect to

1 permits for the operation of taxicabs are set forth below in Sections 1120 et seq. Provisions of
2 this Section shall not apply to taxicab dispatch service, taxicab color scheme permits, or
3 permits for the operation of a rental vehicle business under Division 8 of this Article.

4 (b) *PoliceTaxi* Commission to Issue Permits. The *PoliceTaxi* Commission shall issue
5 permits for the operation of motor vehicles for hire that are provided for in this Article as the
6 public convenience and necessity shall require. The *PoliceTaxi* Commission shall not issue a
7 permit for any motor vehicle for hire service not defined in Section 1076 hereof, except as
8 provided for in Section 1078(b) of this Article.

9 (c) Declaration of Public Convenience and Necessity. No permit shall be issued for
10 the operation of any motor vehicle for hire unless and until the *PoliceTaxi* Commission shall by
11 resolution declare that public convenience and necessity require the proposed service for
12 which application for a permit is made and the applicant is found to be eligible under all the
13 requirements of this Article.

14 (d) Hearings to Determine Public Convenience and Necessity. The *PoliceTaxi*
15 Commission shall hold hearings to determine public convenience and necessity pursuant to
16 all applications for the issuance of permits to operate motor vehicles for hire. Protests against
17 the issuing of a permit may be filed with the Police Commission. The *Police Taxi* Commission
18 shall consider all protests and in conducting its hearing shall have the right to call such
19 additional witnesses as it desires. In all such hearings, the burden of proof shall be upon the
20 individual applicant to establish by clear and convincing evidence that public convenience and
21 necessity require the operation of the vehicle or vehicles for which permit application has
22 been made, and that such application in all other respects should be granted. Subject to the
23 provisions of Subsection (e) of this Section, hearings on applications for declaration of public
24 convenience and necessity shall be held at least once each calendar year for each type, kind
25 or class of permit for which one or more applications are pending.

1 (e) Consolidation of Hearings Permitted. The *PoliceTaxi* Commission may
2 consolidate for hearing and determination of public convenience and necessity all applications
3 for a given type, kind or class of permit. Any declaration of public convenience and necessity
4 made by the *PoliceTaxi* Commission pursuant to such a consolidated hearing shall be valid
5 and binding as to the total number of permits authorized for a particular type, kind or class of
6 permit and as to each application included for hearing in said consolidated hearing and shall
7 have continuing force and effect until the next subsequent *PoliceTaxi* Commission hearing on
8 public convenience and necessity as to that particular type, kind or class of permit. Any
9 applicant whose application is called for hearing at a consolidated hearing may rely upon the
10 testimony and evidence adduced before the *PoliceTaxi* Commission by other pending
11 convenience and necessity, in the sole discretion and judgment of the individual applicant;
12 provided, however, that the burden of proof in establishing public convenience and necessity
13 shall remain on each applicant.

14 (f) Role of Controller. Prior to increasing the total number of authorized permits, the Taxi
15 Commission shall notify the Controller of the proposed increase and receive from the Controller,
16 within 30 days of the Controller's receipt of the Taxi Commission notice, a report including the
17 Controller's recommendation for an adjustment in the mean gate fee cap and/or in rates of fare for
18 taxicabs, and/or the institution of permit lease fee controls, necessary to maintain income of drivers
19 and color scheme permit holders

20 ~~(f)~~(g) Notice of Commission's Determination. Written notice of a declaration of public
21 convenience and necessity by the *PoliceTaxi* Commission shall be given to all subject
22 applicants and all protestors whose names and addresses are known to said Commission.
23 Such notice shall be given forthwith upon the adoption of such declaration. A declaration of
24 public convenience and necessity made at or as a result of a consolidated hearing under
25 Subsection (e) of this Section may be appealed to the Board of *Permit* Appeals as set forth in

1 Section ~~3.6514.106~~ 106 of the Charter of the City and County of San Francisco. Prior to increasing
2 the total number of authorized permits beyond the currently authorized number if the Taxi Commission
3 has not authorized an increase, or beyond any increase authorized by the Taxi Commission, the Board
4 of Appeals shall notify the Controller of the Board of Appeals' proposed increase and receive from the
5 Controller, within 30 days of the Controller's receipt of the Board of Appeals notice, a report including
6 the Controller's recommendation for an adjustment in the mean gate fee cap and/or in rates of fare for
7 taxicabs, and/or the institution of permit lease fee controls, necessary to maintain income of drivers
8 and color scheme permitholders.

9 (h) If the Taxi Commission or the Board of Appeals authorizes the issuance of any
10 additional number of taxicab permits above the 1381 permits authorized to be issued as of November
11 12, 2002, the Controller shall transmit to the Board of Supervisors a report including the Controller's
12 recommendation for an adjustment in the mean gate fee cap and/or in rates of fare for taxicabs and/or
13 the institution of permit lease fee controls, necessary to maintain income of drivers and color scheme
14 permitholders, and proposed legislation instituting such recommendations.

15 ~~(g)(i)~~ Separate Hearings for Individual Applicants. Notwithstanding any consolidated
16 hearing on public convenience and necessity as provided for in Subsection (e) of this Section,
17 every applicant for a permit to operate a motor vehicle for hire shall have a separate hearing
18 to review and determine the applicant's individual eligibility and compliance with all applicable
19 laws, rules and regulations before a permit is issued, notice of which shall be given in the
20 same manner as set forth in Section 1080(a) of this Article. ~~The Police Department shall~~
21 ~~investigate each applicant~~ Each application shall be investigated and the results of the investigation
22 ~~shall be transmitted and shall report~~ to the ~~Police~~ Taxi Commission ~~on the results of said~~
23 ~~investigation~~ at the time of the hearing on the applicant's individual qualifications. If public
24 convenience and necessity is declared for the issuance of a permit and an applicant is found
25 to be eligible therefor after consideration by the ~~Police~~ Taxi Commission of the factors set forth

1 in Section 1081 of this Article, the *PoliceTaxi* Commission shall so notify the applicant. Within
2 60 days thereafter the applicant shall furnish to the *PoliceTaxi* Commission any and all
3 additional information which may be required. If the *PoliceTaxi* Commission then finds that the
4 applicant, in addition to complying with all other requirements, is the owner of the vehicle or
5 vehicles for which a permit is sought, and that each such vehicle meets with all applicable
6 statutes, ordinances, rules and regulations, it shall thereupon issue the permit. A finding made
7 at or as a result of a hearing under this Section may be appealed to the Board of *Permit*
8 Appeals as set forth in Section ~~3.6514.106~~ of the Charter of the City and County of San
9 Francisco.

10 ~~(h)(i)~~ Conditions on Permits. The *PoliceTaxi* Commission may attach such conditions
11 as it deems to be consistent with public convenience and necessity upon any new permit
12 issued under this Article. From time to time, existing permits or those issued without
13 conditions may be made subject to such conditions as the *PoliceTaxi* Commission may
14 determine to be consistent with public convenience and necessity after a hearing of which
15 notice is given to all affected permittees and the public in the manner prescribed for giving
16 notice in Section 1080(a) of this Article.

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18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA, City Attorney

20 By: _____
21 PAUL ZAREFSKY
22 Deputy City Attorney

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