

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

# MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
**Small Business Commission, City Hall, Room 448**

FROM: *ll*  
*for* Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: November 1, 2016

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following substitute legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 161065**

**Ordinance amending the Police Code to require rental car companies to provide written disclosures to customers advising them to remove valuables from the rental vehicle and lock the doors.**

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

**No Comment**

**Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

c: Menaka Mahajan, Small Business Commission

1 [Police Code - Rental Car Disclosure Requirements]

2  
3 **Ordinance amending the Police Code to require rental car companies to provide written**  
4 **disclosures to customers advising them to remove valuables from the rental vehicle**  
5 **and lock the doors.**

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
8 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
9 **Board amendment additions** are in double-underlined Arial font.  
10 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
11 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
12 subsections or parts of tables.

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

14 Section 1. The Police Code is hereby amended by adding Article 13.3, entitled "Car  
15 Rental Businesses," consisting of Sections 976.1, 976.2, 976.3, 976.4, 976.5, 976.6, and  
16 976.7. Section 976.6 is added; existing Sections 1225, 1226, 1227, 1228, 1229, and 1230  
17 are renumbered as Sections 976.1, 976.2, 976.3, 976.4, 976.5, and 976.7, respectively, and  
18 revised as indicated. Article 13.3 shall read as follows:

19 **ARTICLE 13.3: CAR RENTAL BUSINESSES**

20 **SEC. ~~1225~~ 976.1. BUSINESSES OF RENTING OR LEASING MOTOR VEHICLES**  
21 **AND/OR TRAILERS FOR A PERIOD OF 60 DAYS OR LESS WITHOUT DRIVER OR**  
22 **OPERATOR.**

23 The business of renting or leasing ~~##~~Motor ~~v~~Vehicles and/or ~~#~~Trailers in the City and  
24 County of San Francisco for a period of 60 days or less without a driver or operator thereof is  
25

1 hereby declared to be subject to police inspection and regulation as in Sections ~~1225~~ 976.1  
2 through ~~1230~~ 976.7, inclusive, of this Article 13.3.

3  
4 **SEC. ~~1226~~ 976.2. DEFINITIONS.**

5 For the purpose of ~~the provisions of~~ Sections ~~1225~~ 976.1 through ~~1230~~ 976.7 ~~inclusive of~~  
6 ~~this Article, whenever the following words, terms or phrases are used, the definitions herein given~~  
7 ~~shall be deemed to be the meaning of such words, terms or phrases, except where otherwise expressly~~  
8 ~~stated have the following meanings:~~

9 ~~"Motor Vehicle." A vehicle as defined in Section 415 of the California Vehicle Code.~~

10 ~~"Trailer." A vehicle as defined in Section 630 of the California Vehicle Code.~~

11 ~~"Person." A sole proprietor, partnership, association, business trust or corporation.~~

12 "Location." A place where a ~~p~~Person or salaried employee of a ~~p~~Person executes an  
13 agreement for the rental or lease of a ~~m~~Motor ~~v~~Vehicle and/or ~~t~~Trailer for a period of 60 days  
14 or less without a driver or operator and makes delivery or arranges for the delivery thereof  
15 pursuant to said rental or lease agreement. Location does not include any place where a Person  
16 takes or accepts reservations only, or a hotel, motel, or inn which provides reservations and/or  
17 customer transportation service only.

18 ~~"Motor Vehicle." A vehicle as defined in Section 415 of the California Vehicle Code.~~

19 ~~"Person." A sole proprietor, partnership, association, business trust, or corporation.~~

20 ~~"Trailer." A vehicle as defined in Section 630 of the California Vehicle Code.~~

21 "VIN." Vehicle Identification Number.

22  
23 **SEC. ~~1227~~ 976.3. PERMIT REQUIRED.**

24 Every ~~p~~Person in said business of renting or leasing ~~m~~Motor ~~v~~Vehicles and/or ~~t~~Trailers  
25 for a period of 60 days or less for hire without drivers or operators shall hereafter obtain from

1 the Police Department a separate permit for each such location where such person conducts  
2 such business, which permit(s) shall be revocable by said Department for cause and after a  
3 hearing. The application for such permit(s) shall state the address of each such HLocation  
4 where such person conducts such business, and the name of the owner or owners, manager,  
5 or officer thereof. After the issuance of such permit, any change of, or addition to, such  
6 HLocations shall be reported to the Police Department within five days thereafter and permit  
7 issued for each such additional HLocation. Each licensee of a pPerson or independent  
8 contractor of a pPerson shall be considered an independent pPerson and shall obtain his own  
9 separate permit. *Location does not include any place where a person takes or accepts reservations  
10 only, or a hotel, motel or inn which provides reservations and/or customer transportation service only.*  
11

12 **SEC. ~~1228~~ 976.4. RECORDS TO BE KEPT; CONTENTS.**

13 Every pPerson engaged in the type of business referred to in Sections ~~1225~~ 976.1 and  
14 ~~1227~~ 976.3 of this Article 13.3 shall keep records of all mMotor vehicles and/or tTrailers rented  
15 or leased for a period of 60 days or less, which records will show:

- 16 (a) The name and address of the individual, firm, or corporation to whom such  
17 mMotor vehicle and/or tTrailer is rented or leased;
- 18 (b) The date and time thereof and the time when same is returned;
- 19 (c) A description of each rented or leased mMotor vehicle and or tTrailer to include:  
20 Make, year, body style, color, VIN, and license number.  
21

22 **SEC. ~~1229~~ 976.5. DRIVER'S LICENSE REQUIRED.**

23 Every pPerson engaged in the *type of business referred to in Sections 976.1 and 976.3 of*  
24 *this Article 13.3 of renting or leasing motor vehicles and/or trailers for a period of 60 days or less*  
25 shall not rent or lease to any individual, firm, or corporation a mMotor vehicle and/or tTrailer

1 unless the driver's license provisions of Section 14608 of the California Vehicle Code are  
2 complied with.

3  
4 **SEC. 976.6. DISCLOSURE REQUIREMENTS.**

5 **(a) Findings.**

6 (1) The San Francisco Civil Grand Jury issued a report in 2016 regarding auto  
7 burglaries in San Francisco. According to that report, the number of auto burglaries in 2015 reached  
8 a five-year high, with 24,826 reported incidents. This was a 34% increase over the previous year and  
9 almost three times more than reported in 2011. Based on auto burglary data from the Police  
10 Department ("SFPD"), the Civil Grand Jury estimated that at least \$19 million worth of property was  
11 stolen in auto burglaries in 2015. Auto burglaries have become one of the top public safety concerns  
12 for many San Franciscans.

13 (2) One method of addressing auto burglary is prosecuting the career criminals who  
14 constitute 20% of the perpetrators responsible for a large majority of incidents. But a major challenge  
15 in prosecuting auto burglary is that many victims are visitors or tourists, who are unable or unwilling  
16 to return to San Francisco to testify. When foreign tourists are victims, cases are particularly difficult  
17 to prosecute, especially when the victim's testimony is needed but the victim is beyond the subpoena  
18 power of the San Francisco Superior Court. Because prosecution is not always a viable option for  
19 combatting auto burglaries, the City must explore other means of addressing the auto burglary  
20 problem.

21 (3) Data from the District Attorney's Office for 2015-16 suggest that major hot spots for  
22 auto burglaries are at or near some of San Francisco's biggest tourist destinations, like Alamo Square  
23 Park, the Embarcadero, Fisherman's Wharf, Civic Center, Lombard Street, and the Palace of Fine  
24 Arts.

1           (4) Visitors and tourists, many of whom are from other states and countries, are often  
2 unfamiliar with the City and inattentive to risks of crime, and are known to carry large sums of money,  
3 credit cards, electronics, and other valuables. Many visitors and tourists use rental cars to get around  
4 the City. The San Francisco Travel Association reported in March 2016 that San Francisco received  
5 24.6 million tourists and visitors in 2015, an increase of 2.7% from 2014. The same group's study from  
6 2011 found that automobile options are popular with San Francisco tourists and visitors, with 35.1%  
7 using a personal car and 14.6% using a rental car.

8           (5) Many visitors and tourists leave valuables in their rental cars in plain sight, the  
9 perfect recipe for auto burglary. According to SFPD data on City-wide rental vehicle auto burglary  
10 incidents, there has been a significant increase in burglaries of rented vehicles from 2015 to 2016.

11           (6) Because victims of auto burglaries are frequently tourists using rental cars who are  
12 unaware of or oblivious to the risks of leaving valuables in the car, one of the Civil Grand Jury's  
13 recommendations for curbing the number of break-ins is to educate users of rental cars on crime risks  
14 and prevention. In light of the importance of tourism to the local economy, the City should make an  
15 effort to reduce auto burglary, which has such a negative impact on visitors and tourists.

16           (7) Signs warning drivers to remove valuables from their cars have been installed near  
17 some tourist hot spots in San Francisco, such as Alamo Square, Japantown, and near the Palace of  
18 Fine Arts. Initial reports from SFPD indicate that the signs have helped reduce the number of auto  
19 burglaries in those areas. Providing similar notice to drivers of rental cars would likely induce those  
20 drivers to take greater precautions to prevent theft, resulting in fewer rental car burglaries.

21           (8) San Francisco International Airport has launched a campaign to curb rental car  
22 burglaries through consumer education. The Airport has posted signs within the rental car center  
23 warning of the risks of leaving valuables in rental vehicles. The Airport has also provided rental  
24 companies written materials for distribution to customers advising customers of the risk. Further, an  
25

1 audio announcement regarding the risk of auto burglary is played on the AirTrain connecting the  
2 airport terminals to the rental car center.

3 (b) Disclosures required. Every Person engaged in the type of business referred to in Sections  
4 976.1 and 976.3 of this Article 13.3 shall:

5 (1) Provide the following written disclosure to each authorized driver of a Motor  
6 Vehicle rented or leased from a Location in the City: "Prevent theft: Remove valuables from the rental  
7 car and lock the doors." This disclosure shall be provided when the customer rents the Motor Vehicle.  
8 The disclosure shall be made on a piece of paper separate from any other document the Person  
9 provides to the driver. The disclosure shall be printed in typeface sufficiently large as to be easily  
10 readable by customers.

11 (2) Provide the following written disclosure either on the key ring for the keys to the  
12 rented or leased Motor Vehicle or inside the passenger compartment of the Motor Vehicle: "Prevent  
13 theft: Remove valuables from the rental car and lock the doors." Places in the passenger compartment  
14 where the disclosure may be provided include, but are not limited to, on the sun visor or in the glove  
15 compartment. The disclosure shall be printed in typeface sufficiently large as to be easily readable by  
16 customers.

17 (3) Post at each Location a written notice stating: "To prevent theft, do not leave  
18 valuables in the rental car and remember to lock the doors." The notice shall be posted in an area  
19 accessible to customers and where customers routinely are present. The lettering on the sign shall be  
20 readable by customers generally from a distance of at least 20 feet.

21 (c) The requirements of subsection (b) of this Section 976.6 shall not apply to the rental or  
22 lease of Trailers.

23 (d) Operative date. In accordance with Section 5(b) of the ordinance in Board File No.  
24 161065, creating this Section 976.6, subsections (b)(1) and (b)(3) are operative 90 days after the  
25

1 effective date of said ordinance, and subsection (b)(2) is operative 180 days after the effective date of  
2 said ordinance.

3 (e) Within 30 days of the effective date of the ordinance in Board File No. 161065, creating this  
4 Section 976.6, the Police Department shall notify in writing all current holders of permits issued under  
5 former Section 1227 of this Code (renumbered to become Section 976.3) for the rental or lease of  
6 Motor Vehicles excluding Trailers, of the new conditions applicable to such permits established by  
7 Section 976.6, and the operative dates of Section 976.6.

8  
9 **SEC. ~~1230~~ 976.7. LICENSE FEES.**

10 Every ~~p~~Person, as defined in Section ~~1226~~ 976.2 shall pay an annual license fee for  
11 each such ~~L~~Location as defined in ~~said~~ Section ~~1226~~ 976.2; provided, however, every person  
12 who operates a repair garage and grants temporary use of a motor vehicle to a customer  
13 without charge, while the motor vehicle belonging to said customer is being repaired or  
14 serviced in the repair garage, shall pay an annual license fee. The license fee shall be paid  
15 annually on or before March 31, in accordance with the provisions of Section 76.1 of the  
16 Business and Tax Regulations Code.

17  
18 Section 2. Undertaking for the General Welfare. In enacting and implementing this  
19 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not  
20 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it  
21 is liable in money damages to any person who claims that such breach proximately caused  
22 injury.

23  
24 Section 3. Severability. If any section, subsection, sentence, clause, phrase, or word of  
25 this ordinance, or any application thereof to any person or circumstance, is held to be invalid



1 or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not  
2 affect the validity of the remaining portions or applications of this ordinance. The Board of  
3 Supervisors hereby declares that it would have passed this ordinance and each and every  
4 section, subsection, sentence, clause, phrase, and word not declared invalid or  
5 unconstitutional without regard to whether any other portion of this ordinance or application  
6 thereof would be subsequently declared invalid or unconstitutional.

7  
8 Section 4. Creating Articles 13.2 and 13.3.

9 (a) Article 13.2 shall be added to the Police Code and entitled "Bicycle Messenger  
10 Businesses." Existing Sections 975.1, 975.2, 975.3, and 975.4 shall be placed in Article 13.2.  
11 These changes are not made for any substantive reason and shall have no substantive effect.  
12 The changes are made solely for the purpose of reorganizing the affected sections under a  
13 specifically designated Article. The City Attorney shall direct the publisher of the Municipal  
14 Code to take all appropriate steps to effectuate this provision.

15 (b) Among other things, this ordinance adds Article 13.3 to the Police Code;  
16 rennumbers existing Sections 1225, 1226, 1227, 1228, 1229, and 1230 as Sections 976.1,  
17 976.2, 976.3, 976.4, 976.5, and 976.7, respectively; and makes clerical and technical  
18 revisions to those sections. These changes are not made for any substantive reason and  
19 shall have no substantive effect.

20  
21 Section 5. Scope of Ordinance. Except as stated in Section 4(a) of this ordinance, in  
22 enacting this ordinance, the Board of Supervisors intends to amend only those words,  
23 phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts,  
24 diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this  
25

1 ordinance as additions, deletions, Board amendment additions, and Board amendment  
2 deletions, in accordance with the "Note" that appears under the official title of the ordinance.

3  
4 Section 6. Effective and Operative Dates.

5 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
6 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
7 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
8 Mayor's veto of the ordinance.

9 (b) This ordinance shall become operative 90 days after the effective date, except for  
10 Section 976.6(b)(2), which shall become operative 180 days after the effective date.

11  
12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA, City Attorney

14 By:



15 \_\_\_\_\_  
16 BRADLEY A. RUSSI  
17 Deputy City Attorney

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**REVISED LEGISLATIVE DIGEST**  
(Substituted, 10/25/2016)

[Police Code - Rental Car Disclosure Requirements]

**Ordinance amending the Police Code to require rental car companies to provide written disclosures to customers advising them to remove valuables from the rental vehicle and lock the doors.**

Existing Law

Existing law requires all companies or individuals that rent or lease motor vehicles for 60 days or less to obtain a permit from the Police Department for each location in the City where the permittee rents or leases motor vehicles. Permit holders must maintain certain records regarding each rental transaction. Permit holders are prohibited from renting motor vehicles to unlicensed drivers. The Police Department may revoke a permit for cause after a hearing. Existing law does not compel companies or individuals that rent motor vehicles in the City to advise customers of the risk of auto burglaries.

Amendments to Current Law

The proposed ordinance would require companies or individuals in the City that rent or lease motor vehicles for 60 days or less, as a condition of the permit from the Police Department, to advise customers not to leave valuables in the rented vehicle and to lock the doors of the vehicle. This disclosure must be made in three ways: (1) a written notice provided to the customer at the time of rental, (2) signs posted in the rental office, and (3) on the key ring or somewhere in the compartment of the vehicle. The proposed ordinance also renumbers the existing code sections that contain the permitting requirements and makes other clerical or technical changes not intended for any substantive purpose.

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