

## LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Temporary Suspension of Business Registration and Fee for Transportation Network Company Drivers and Taxi Drivers]

**Ordinance amending the Business and Tax Regulations Code to suspend temporarily the application of the business registration and fee requirements for transportation network company drivers and taxi drivers.**

### Existing Law

In general, the City currently requires each business operating within the City, including taxi drivers and persons who drive for ride-hailing entities known as transportation network companies (“TNCs”) that are independent contractors, to obtain a registration certificate and pay an annual registration fee.

### Amendments to Current Law

This ordinance would temporarily suspend the application of the business registration and fee requirements for TNC drivers and taxi drivers, for registration years 2018-2019 and 2019-2020. The suspension also would apply retroactively to registration year 2017-2018 for TNC drivers and taxi drivers who commence business in the City on or after January 1, 2018.

### Background Information

In 2017, the Legislature enacted Senate Bill 182 (“SB 182”), the effect of which is to largely immunize automobile drivers who drive for TNCs from local business license requirements. SB 182 requires a city, purportedly including a charter city, to allow such a driver to conduct business within its borders without obtaining any locally-issued business license or paying business license tax, unless that driver lives in that city. On February 8, 2018, the City filed a lawsuit in San Francisco Superior Court challenging the validity of SB 182. This ordinance would temporarily suspend the business registration and fee requirements for all TNC drivers pending the resolution of this litigation so that drivers that live in the City are not treated less favorably than drivers that live outside the City. The business registration and fee requirements also would be temporarily suspended for taxi drivers so that they are not treated less favorably than TNC drivers that live outside the City with respect to the City’s business registration and fee requirements.

n:\legana\as2018\1800382\01253461.docx