

BOARD of SUPERVISORS



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## MEMORANDUM

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

FROM: Erica Major, Assistant Clerk, Public Safety and Neighborhood Services  
Committee, Board of Supervisors

DATE: April 17, 2017

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following 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. 170421**

**Ordinance amending the Police Code to prohibit visible barcodes and advertising on rental cars rented in the City or at San Francisco International Airport.**

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 Restrictions to Reduce Burglaries]

2  
3 **Ordinance amending the Police Code to prohibit visible barcodes and advertising on**  
4 **rental cars rented in the City or at San Francisco International Airport.**

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

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

13 Section 1. The Police Code is hereby amended by adding Article 13.4, entitled  
14 “Reducing Rental-Car Burglaries,” consisting of Sections 977.1 through 977.8, to read as  
15 follows:

16 **ARTICLE 13.4: REDUCING RENTAL-CAR BURGLARIES**

17  
18 **SEC. 977.1. FINDINGS.**

19 (a) San Francisco faces a severe automobile-burglary crisis. In 2015, the City experienced  
20 approximately 25,000 such burglaries—roughly 70 a day. The City experienced a similar number of  
21 automobile burglaries in 2016. Automobile burglaries have nearly tripled since 2011, when San  
22 Francisco experienced approximately 10,000 such burglaries.

23 (b) Automobile burglaries pose a grave threat to the safety and security of San Francisco’s  
24 residents. San Francisco’s Civil Grand Jury estimated that property worth approximately \$19 million  
25 was stolen from cars in San Francisco in 2015. This lucrative revenue stream attracts organized

1 criminal enterprises. Moreover, the proceeds from automobile burglaries empower criminals to  
2 commit other crimes. For example, in 2015, criminals stole at least 57 firearms from vehicles in San  
3 Francisco.

4 (c) The City has already adopted a range of strategies to address its automobile-burglary crisis.  
5 The Police Department has stepped up its enforcement efforts, and has formed a special task force to  
6 deter and arrest automobile burglars. In addition, the District Attorney's Office has moved to  
7 prosecute automobile burglaries more aggressively, and has dramatically increased the rate at which it  
8 charges automobile-related crimes. But the City cannot solve this problem through increased law  
9 enforcement alone. In addition to raising the costs of committing automobile burglaries, the City must  
10 find ways to make automobile burglary more difficult, and less attractive to criminals.

11 (d) San Francisco attracts large numbers of tourists, business travelers, and other visitors from  
12 all over the world. Visitors contribute significantly to the City's economy. To maintain San  
13 Francisco's status as a major destination for tourists and other visitors, and to continue to reap the  
14 economic benefits that visitors provide, the City has a vital interest in ensuring that visitors have safe,  
15 successful, and positive experiences when visiting San Francisco.

16 (e) Data from the District Attorney's Office shows that many of San Francisco's biggest tourist  
17 destinations—Alamo Square Park, the Embarcadero, Fisherman's Wharf, Civic Center, Lombard  
18 Street, the Palace of Fine Arts—are major hotspots for automobile burglary. Visitors to San Francisco  
19 are especially attractive targets for those who commit automobile burglary, because—as the Civil  
20 Grand Jury has found, and as the Police Department has advised—they are especially vulnerable to it.  
21 Would-be burglars know that many visitors are carrying large amounts of money, electronics, and  
22 other valuables. Further, many visitors are unfamiliar with San Francisco and its hazards, and may  
23 face special linguistic and cultural barriers. Moreover, visitors may be unable or unwilling to initiate  
24 a police investigation in a city that is foreign to them and where they will not long remain, and they are  
25 often unable to return to San Francisco to testify in criminal prosecutions of suspected burglars.

1           (f) The City has launched a series of public-education campaigns designed to reduce  
2 automobile burglaries by warning visitors about the risks of such burglaries. Signs warning drivers to  
3 remove valuables from their cars have been installed near tourist hotspots like Fisherman's Wharf,  
4 Alamo Square, Japantown, and the Palace of Fine Arts. San Francisco International Airport has  
5 posted signs at its Rental Car Center warning visitors of the risks of leaving valuables in rental  
6 vehicles, and has also provided rental-car companies with written warnings to distribute to customers.  
7 An announcement warning visitors about automobile burglary is also played on the AirTrain  
8 connecting airport terminals to the Rental Car Center. The Police Department, additionally, is  
9 working with local hotels and businesses to ensure that visitors are warned of the risks of automobile  
10 burglary.

11           (g) In addition to educating visitors about the risks of automobile burglary, making automobile  
12 burglary more difficult and less attractive requires addressing one central reason that visitors are  
13 especially vulnerable to automobile burglary: many of them drive easily identifiable rental cars. As the  
14 Police Department has advised, automobile burglars specifically target vehicles that are identifiable as  
15 rental cars. Reducing the identifiability of vehicles as rental cars would, therefore, directly address the  
16 City's automobile-burglary crisis.

17           (h) Rental cars in San Francisco are easily identifiable as such. Unlike other vehicles, rental  
18 cars typically carry barcode stickers on their windshields and windows. Many rental cars also carry  
19 advertisements—for example, license-plate frames—promoting the companies from which they are  
20 rented.

21           (i) Eliminating these barcodes and advertisements would not significantly burden rental-car  
22 companies. Although rental-car companies use windshield and window barcodes to track their  
23 inventory, they could easily track their inventory in other ways. For example, rental-car companies  
24 could place barcodes in places that were not immediately visible (such as inside vehicle doors), or use  
25 other non-visible means of inventory control (such as radio-frequency identification, or RFID).

1 Likewise, rental-car companies can, and do, advertise their vehicles in many ways that do not involve  
2 placing advertisements on the exteriors of the vehicles themselves, such as massive advertising on  
3 television, in print media, and via the Internet.

4 (j) Eliminating these barcodes and advertisements would directly address San Francisco's  
5 automobile-burglary crisis. Visitors to San Francisco are particularly vulnerable to automobile  
6 burglary, and making their rental cars less conspicuous is an important way for the City to make  
7 visitors less vulnerable. By making it more difficult for would-be burglars to target visitors' rental  
8 cars, eliminating rental-car barcodes and advertisements would significantly help to combat the City's  
9 automobile-burglary crisis.

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11 **SEC. 977.2. DEFINITIONS.**

12 For purposes of this Article 13.4, the following definitions apply:

13 "Automobile" means any self-propelled, four-wheeled motor vehicle, designed for use  
14 principally upon streets and highways, and used chiefly for transporting persons and their personal  
15 belongings. It includes pickup trucks, but does not include any other kind of truck.

16 "Barcode" means an optical, machine-readable code that uses any pattern of lines or shapes—  
17 with or without accompanying letters, numbers, or other symbols—to convey information. It includes,  
18 but is not limited to, QR codes and other "two-dimensional" codes, in addition to "one-dimensional,"  
19 line-based codes.

20 "City" means the City and County of San Francisco.

21 "Rental Company" means any entity that offers any Automobile for rent, but does not include  
22 any "car-share service" or "certified car-share organization" as defined in Section 166 of the  
23 Planning Code.

1 **SEC. 977.3. GEOGRAPHIC SCOPE OF ARTICLE.**

2 Except as provided in Section 977.6, this Article 13.4 does not apply outside the geographic  
3 boundaries of the City.

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5 **SEC. 977.4. RENDERING RENTAL CARS LESS CONSPICUOUS.**

6 **(a) Visible Barcodes prohibited.** Except as provided in subsection (c), no Automobile may be  
7 rented if the Automobile contains a Barcode affixed to any of the following:

8 (1) The windshield or rear window;

9 (2) Any other window;

10 (3) Any part of the Automobile's exterior other than the undercarriage; or

11 (4) Anything that is itself affixed to a location identified in subsections (a)(1)-(3).

12 **(b) Visible advertising prohibited.** Except as provided in subsection (c), no Automobile may be  
13 rented if the Automobile's exterior, or anything that is itself affixed to the exterior, contains any of the  
14 following:

15 (1) The Rental Company's name;

16 (2) Any identifying slogan used by the Rental Company;

17 (3) Any identifying mark used by the Rental Company;

18 (4) Any address, phone number, e-mail address, website address, or other contact  
19 information used by the Rental Company;

20 (5) The words "rent" or "rental," or any variation thereof; or.

21 (6) Any other advertisement for the Rental Company.

22 **(c) Exclusions.** This Section 977.4 shall not apply to any Barcode that was installed by the  
23 Automobile's manufacturer, or to a Barcode or anything else affixed to the automobile to comply with  
24 any City, State, or Federal law.

1           **(d) Rental requires physical presence.** An Automobile is not deemed to have been “rented”  
2 within the meaning of this Section 977.4 until after a person seeking to rent the Automobile physically  
3 presents himself or herself to the Rental Company.

4           **(e) Obligation on Rental Company.** It shall be the legal obligation of every Rental Company to  
5 ensure that no Automobile is rented unless it complies with the requirements of this Section 977.4. No  
6 person or entity other than a Rental Company—including, but not limited to, any customer of a Rental  
7 Company, or any employee or agent of a Rental Company in his or her personal capacity—shall incur  
8 any obligation under this Section.

9           **(f) Operative date for this Section 977.4.** Compliance with this Section 977.4 shall not be  
10 required until 60 days after the effective date of this Article 13.4.

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12 **SEC. 977.5. PERMIT CONDITION.**

13           Beginning 60 days after the effective date of this Article 13.4, compliance with the obligations  
14 imposed by Section 977.4 shall be a material condition of any permit obtained under Section 1227 of  
15 this Police Code. Failure to comply with any obligation imposed by Section 977.4 shall be cause to  
16 suspend or revoke or otherwise take action on any such permit.

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18 **SEC. 977.6. APPLICATION TO CAR RENTALS AT SAN FRANCISCO INTERNATIONAL**  
19 **AIRPORT.**

20           **(a) Incorporation into airport agreements.** The requirements of Section 977.4 shall be  
21 incorporated into any written agreement between the City and a Rental Company concerning the  
22 Rental Company’s operations at San Francisco International Airport—including, but not limited to,  
23 any lease for the use of real property at San Francisco International Airport—executed after the  
24 effective date of this Article 13.4. But, consistent with Section 977.4(f), such agreements shall not  
25 impose the obligation to comply with Section 977.4 until 60 days after the effective date of this Article.

1 Beginning 60 days after the effective date of this Article, violation of the requirements of Section 977.4  
2 shall be a material breach of such agreements, and shall render a Rental Company liable for liquidated  
3 damages as described in subsection (b).

4 (b) Liquidated damages. Every agreement described in subsection (a) shall provide for  
5 liquidated damages for any breach described in subsection (a), in an amount not less than \$100 and  
6 not more than \$500 per each transaction that violates the requirements of Section 977.4.

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8 **SEC. 977.7. UNDERTAKING FOR THE GENERAL WELFARE.**

9 In enacting and implementing this Article 13.4, the City is assuming an undertaking only to  
10 promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an  
11 obligation for breach of which it is liable in money damages to any person who claims that such breach  
12 proximately caused injury.

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14 **SECTION 977.8. SEVERABILITY.**

15 If any section, subsection, sentence, clause, phrase, or word of this Article 13.4, or any  
16 application thereof to any person or circumstance, is held to be invalid or unconstitutional by a  
17 decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining  
18 portions or applications of the Article. The Board of Supervisors hereby declares that it would have  
19 passed this Article and each and every section, subsection, sentence, clause, phrase, and word not  
20 declared invalid or unconstitutional without regard to whether any other portion of this Article or  
21 application thereof would be subsequently declared invalid or unconstitutional.

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23 Section 2. Effective Date. This ordinance shall become effective 30 days after  
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
25

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
2 of Supervisors overrides the Mayor's veto of the ordinance.

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4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA, City Attorney

6 By:   
7 Matthew Lee  
8 Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Police Code - Rental Car Restrictions to Reduce Burglaries]

### **Ordinance amending the Police Code to prohibit visible barcodes and advertising on rental cars rented in the City or at San Francisco International Airport.**

#### **Existing Law**

The City does not currently attempt to regulate the appearance of automobiles rented within the City or at San Francisco International Airport. The City's Police Code generally requires rental car companies to obtain permits to operate in the City, but does not condition this permit on any aspect of the physical appearance of a company's automobiles.

#### **Amendments to Current Law**

This ordinance would regulate rental cars' appearance in two ways. First, it would prohibit automobiles from carrying barcodes visible in automobiles' windows or on their exteriors. Second, it would prohibit automobiles from carrying rental-car-company advertising on their exteriors.

The ordinance would apply these requirements to automobiles rented within the City and at San Francisco International Airport. As to the former, the ordinance would make compliance a condition of the City's existing permit scheme for rental car companies. As to the latter, the ordinance would make compliance a condition of all written agreements between the City and rental car companies concerning rental car companies' operations at the Airport—including, but not limited to, leases for the use of Airport real estate, such as the Airport's Rental Car Center.

The ordinance is intended to combat automobile burglary. Rental cars often carry barcode stickers and advertisements (for example, license-plate frames) that render rental cars easily identifiable as rental cars. As set out in the ordinance's findings, visitors to San Francisco—and the rental cars they drive—are particularly attractive targets for automobile burglary. By prohibiting conspicuous barcodes and advertisements, this ordinance is intended to make rental cars less identifiable, and therefore make it more difficult for would-be automobile burglars to target rental cars.

The ordinance does not apply to truck rentals or to car-share companies, on the theory that those do not present the same visitor-specific automobile-burglary concerns.