

1 [Raising taxi fares and the cap on gate fees; re-instating the cap on taxicab lease fees;  
2 providing for biennial review of the lease fee cap.]

3 **Ordinance amending the San Francisco Police Code by amending Sections 1135,**  
4 **1135.2, 1135.2, and 1137, to: (1) raise taxi fares from \$2.85 to \$3.05 for the first fifth of a**  
5 **mile, from \$.45 to \$.50 for each additional fifth of a mile, and from \$.45 to \$.50 for each**  
6 **minute of waiting time; (2) raise the cap on taxicab gate fees from \$85.00 to \$94.00 per**  
7 **10-hour shift, and eliminate the second-tier gate cap for certain taxi companies; (3) re-**  
8 **instate the cap on taxicab lease fees at \$1,800 per month; and (4) provide that the**  
9 **Controller's biennial review of taxicab rates and caps shall include a review of the lease**  
10 **fee cap; and setting an operative date.**

11 Note: Additions are single-underline italics Times New Roman;  
12 deletions are ~~strikethrough italics Times New Roman~~.  
13 Board amendment additions are double underlined.  
14 Board amendment deletions are ~~strikethrough normal~~.

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

15  
16 Section 1. The San Francisco Police Code is hereby amended by amending  
17 Sections 1135, 1135.1, 1135.2, and 1137, to read as follows:

18 **SEC. 1135. RATES FOR TAXICABS.**

19 (a) The rates of fare for taxicabs shall be as follows: \$3.05 ~~\$2.85~~ for the first fifth of a  
20 mile or "flag"; \$0.50 ~~\$0.45~~ for each additional fifth of a mile or fraction thereof; \$0.50 ~~\$0.45~~ for  
21 each one minute of waiting or traffic delay time. ~~The aforementioned rates of fare for taxicabs~~  
22 ~~shall become operative on January 1, 2003 or, if the effective date of the Ordinance creating the higher~~  
23 ~~cap on gate fees provided for in Section 1135.1(b) of this Article occurs thereafter, on the effective date~~  
24 ~~of that Ordinance.~~ For out-of-town trips exceeding 15 miles beyond City limits, the fare will be  
25 150 percent of the metered rate; for trips exceeding 15 miles from San Francisco International

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

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

11 (c) A passenger who first engages a public passenger vehicle has the exclusive right  
12 to conveyance therein to his or her destination. The driver shall not solicit or accept any  
13 additional passenger without the prior consent of any passenger who has previously engaged  
14 the vehicle.

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

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### 19 **SEC. 1135.1. GATE FEES.**

20 (a) **Cap on Gate Fees.** The mean gate fee charged drivers by a taxicab company may  
21 not exceed ~~\$94.00~~ ~~\$85.00~~ for a shift of 10 hours or longer. *This amount includes \$3.00 for the*  
22 *increased costs of the paratransit program under Section 1137.5.* The cap shall be prorated at  
23 ~~\$9.40~~ ~~\$8.50~~ per hour for shifts shorter than 10 hours. The mean gate fee shall be determined  
24 by adding together the gate fees charged by the company for all available shifts during one  
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1 week and dividing that total by the number of available shifts during the week. *The*  
2 *aforementioned cap on gate fees and the higher cap on gate fees provided for in subsection (b) shall*  
3 *become operative on January 1, 2003 or, if the effective date of the Ordinance creating the higher cap*  
4 *on gate fees occurs thereafter, on the effective date of that Ordinance.*

5 (b) **Ongoing Legal Obligations.** *Every taxi company must comply at all times with the rules*  
6 *and regulations established by the Controller of the City and County of San Francisco pursuant to*  
7 *Section 1095(b) of this Article, and with State law governing workers' compensation insurance*  
8 *requirements.*

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

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

1           ~~(ii) All taxicabs operating under the taxicab company's color scheme are covered by workers'~~  
2           ~~compensation insurance. This condition shall take effect on May 1, 2003. The taxicab company shall~~  
3           ~~not be deemed to fulfill this condition until the taxicab company has submitted to the Taxi Commission~~  
4           ~~proof that the condition is fulfilled. This condition is an ongoing condition, and the aforementioned~~  
5           ~~requirement for proving that the condition is fulfilled is an ongoing requirement; hence, the right to~~  
6           ~~charge the higher mean gate fee authorized by this subsection is dependent on continued fulfillment of~~  
7           ~~the condition and continued compliance with the proof requirement.~~

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

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

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

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

3           ~~(g) Sunset Provisions Pertaining to Higher Cap on Gate Fees. Subsection (b) shall expire by~~  
4 ~~operation of law under either of the circumstances described below:~~

5           ~~(i) By no later than May 1, 2003, the Controller shall submit a recommendation to the Board of~~  
6 ~~Supervisors for a specific long term lease fee cap covering all long term lease drivers. If within 90~~  
7 ~~days of the Controller's submission of a recommendation, or, if the Controller fails to meet the deadline~~  
8 ~~for submitting a recommendation, by no later than March 1, 2004, the City fails to enact into law an~~  
9 ~~ordinance prescribing a specific long term lease fee cap covering all long term lease drivers,~~  
10 ~~subsection (b) shall expire.~~

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

21           ~~(iii) The Board of Supervisors may by resolution extend the date by which the City must enact~~  
22 ~~the ordinances described in subparts (i) and (ii) to prevent the expiration of subsection (b), provided~~  
23 ~~that the Board finds that further time is needed to resolve issues relating to the ordinances and that~~  
24 ~~progress is being made on developing the ordinances for the Board's consideration.~~

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**SEC. 1135.2. LEASE FEES.**

(a) **Cap on Lease Fees.** The monthly lease fee for the use of a taxicab permit may not exceed \$1,800. The cap shall be prorated for leases longer or shorter than one month.

(b) **“Lease Fee” Defined.** For the purposes of this Section, “lease fee” shall mean any monetary fee or other charge or consideration, or any combination thereof, charged by or paid to a permit-holder for the privilege of operating under the permit-holder's permit during a particular shift, or for any period of time, whether said fee is set by contract, lease or other agreement, orally or in writing, whether said fee is set as a flat rate, as a commission on receipts from fares, or as a specified fee for any other purpose, and whether said fee is paid by the driver or a third party.

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

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

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

1           ~~(f) Sunset Provision. The provisions of this Section shall expire twenty four months after the~~  
2 ~~effective date of the Section.~~

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4       **SEC. 1137. REVIEW OF RATES OF FARE AND CAP ON GATE FEES.**

5           The rates provided in Sections 1135 and 1136 of this Article and the caps eap on gate  
6 and lease fees provided in ~~Sections~~ Section 1135.1 and 1135.2, respectively, of this Article shall be  
7 reviewed by the Controller in even-numbered years, beginning with 2004. Not later than  
8 August 1st of each even-numbered year, the Controller shall transmit to the Board of  
9 Supervisors a determination as to increases or decreases in the rates of fare for taxicabs and  
10 increases or decreases ~~an increase or decrease~~ in the caps eap on gate and lease fees based upon  
11 changes in the Consumer Price Index since the prior determination, and related information  
12 submitted to the Controller pursuant to Section 1095(b) of this Article. ~~The Controller's~~  
13 ~~August 1, 2004 determination as to increases or decreases in the rates of fare for taxicabs and an~~  
14 ~~increase or decrease in the cap on gate fees shall be based upon changes in the Consumer Price Index~~  
15 ~~since January 1, 2003, and related information submitted to the Controller pursuant to Section 1095(b)~~  
16 ~~of this Article. In addition, the~~ The Controller's biennial August 1, 2004 determination both as to  
17 increases or decreases in the rates of fare for taxicabs and as to increases or decreases ~~an~~  
18 ~~increase or decrease~~ in the caps eap on gate and lease fees shall include appropriate adjustments  
19 to ensure, in accordance with the procedure provided for in Section 1137.5 of this Article, that  
20 appropriate sums are collected to offset the increased monthly cost of paratransit scrip  
21 incurred by the paratransit program, ~~except if the voters of the City and County of San Francisco~~  
22 ~~have reauthorized a new sales tax to fund transportation.~~

23           The Controller's determination as to increases or decreases in the rates of fare for  
24 taxicabs and increases or decreases ~~an increase or decrease~~ in the caps eap on gate and lease fees  
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1 shall take effect on November 1 of the even-numbered year in which the Controller makes the  
2 determination, and shall remain in effect through October 31 of the next even-numbered year,  
3 unless the following events occur: (i) By September 1 of the even-numbered year in which  
4 the Controller makes the determination the Board of Supervisors by resolution determines that  
5 the Board, or a committee thereof, should hold a hearing on the Controller's determination; (ii)  
6 by October 1 of that year a hearing is held in accordance with the aforementioned resolution;  
7 and (iii) by October 31 of that year the Board adopts a resolution disapproving or modifying  
8 the Controller's determination. Any resolution modifying the Controller's determination shall  
9 be based upon changes in the Consumer Price Index, costs recently incurred and expected to  
10 be incurred by drivers and color scheme permit holders, projected income of drivers and  
11 projected revenues of color scheme permit holders, and local economic conditions. If all three  
12 events occur, the Controller's determination shall not go into effect on November 1 of that  
13 year.

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

23 In cases where the holder of more than one permit to operate a sedan, limousine or  
24 taxicab fails to render a financial report within the time prescribed and in such form as the  
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1 Controller may request, for the purpose of reviewing the rates of fare for taxicabs and the cap  
2 on gate fees and making a determination as to increases or decreases in the rates of fare for  
3 taxicabs and *increases or decreases* ~~an increase or decrease~~ in the ~~caps~~ ~~cap~~ on gate *and lease* fees,  
4 such failure shall be a basis for cancellation of such permits by the Taxi Commission, ~~provided~~  
5 *such cancellation is approved by the Board of Supervisors.*

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7 Section 2. This ordinance shall become operative on June 1, 2006.

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

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12 By: \_\_\_\_\_  
13 THOMAS J. OWEN  
14 Deputy City Attorney

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