

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: October 13, 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 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.

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," and consisting of Sections 976.1, 976.2, 976.3, 976.4, 976.5, and 976.6,
16 to read as follows:

17 **ARTICLE 13.3: CAR RENTAL BUSINESSES**

18 **SEC. 976.1. FINDINGS.**

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

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

9 **(c) Data from the District Attorney's Office ("SFDA") for 2015-16 suggest that major hot spots**
10 **for auto burglaries are at or near some of San Francisco's biggest tourist destinations, like Alamo**
11 **Square Park, the Embarcadero, Fisherman's Wharf, Civic Center, Lombard Street, and the Palace of**
12 **Fine Arts.**

13 **(d) Visitors and tourists, many of whom are from other states and countries, are often**
14 **unfamiliar with the City and inattentive to risks of crime, and are known to carry large sums of money,**
15 **credit cards, electronics, and other valuables. Many visitors and tourists use rental cars to get around**
16 **the City. The San Francisco Travel Association reported in March 2016 that San Francisco received**
17 **24.6 million tourists and visitors in 2015, an increase of 2.7% from 2014. The same group's study from**
18 **2011 found that automobile options are popular with San Francisco tourists and visitors, with 35.1%**
19 **using a personal car and 14.6% using a rental car.**

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

23 **(f) Because victims of auto burglaries are frequently tourists using rental cars who are**
24 **unaware of or oblivious to the risks of leaving valuables in the car, one of the Civil Grand Jury's**
25 **recommendations for curbing the number of break-ins is to educate users of rental cars on crime risks**

1 and prevention. In light of the importance of tourism to the local economy, the City should make an
2 effort to reduce the negative impacts of auto burglary on visitors and tourists.

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

8 (h) San Francisco International Airport has launched a campaign to curb rental car burglaries
9 through consumer education. The Airport has posted signs within the rental car center warning of the
10 risks of leaving valuables in rental vehicles. The Airport has also provided rental companies written
11 materials for distribution to customers advising customers of the risk. Finally, an audio announcement
12 regarding the risk of auto burglary is played on the AirTrain connecting the airport terminals to the
13 rental car center.

14
15 **SEC. 976.2. DEFINITIONS.**

16 “Passenger Vehicle” shall mean a motor vehicle used primarily for the purpose of transporting
17 people, including pick-up trucks. Passenger Vehicle shall not include, among other motor vehicles,
18 motorcycles or other two-wheeled motor vehicles, motorized wheelchairs, golf carts, busses, vehicles
19 primarily used for transporting property, such as moving vans and tractor trailers, farm vehicles,
20 construction vehicles, or vehicles designed for human habitation, such as campers and recreational
21 vehicles.

22 “Person” shall mean any individual, person, firm, corporation, business, or other organization
23 or group of persons however organized.

24 “Rental Car Company” means a Person in the business of renting Passenger Vehicles to the
25 public from a retail location or office in the City. Rental Car Company shall not include car share

1 companies, which rent vehicles via a mobile application or website and do not have retail locations in
2 the City from which customers rent vehicles.

3
4 **SEC. 976.3. DISCLOSURES REQUIRED.**

5 (a) All Rental Car Companies shall provide the following written disclosure to each authorized
6 driver of a Passenger Vehicle rented from a retail location or office in the City: "Prevent theft: Remove
7 valuables from the rental car and lock the doors." This disclosure shall be provided when the
8 customer rents the Passenger Vehicle. The disclosure shall be made on a piece of paper separate from
9 any other document the Rental Car Company provides to the driver. The disclosure shall also be
10 provided either on the key ring for the keys to the rented Passenger Vehicle or inside the passenger
11 compartment of the rented Passenger Vehicle. Locations in the passenger compartment where the
12 disclosure may be provided include, but are not limited to, on the sun visor or in the glove
13 compartment. The disclosure shall be printed in typeface sufficiently large as to be easily readable by
14 customers.

15 (b) At each retail location or office in the City where a Rental Car Company rents Passenger
16 Vehicles to the public, the Rental Car Company shall post in an area accessible to customers and
17 where customers routinely are present a written notice stating: "To prevent theft, do not leave
18 valuables in the rental car and remember to lock the doors." The lettering on the sign shall be
19 readable by customers generally from a distance of at least 20 feet.

20
21 **SEC. 976.4. ENFORCEMENT AND PENALTIES.**

22 (a) The Director of Health, or his or her designee, shall enforce this Article 13.3.

23 (b) The Director of Health, or his or her designee, may assess and collect administrative
24 penalties for the violation of Section 976.3 in accordance with Administrative Code Chapter 100,
25 "Procedures Governing the Imposition of Administrative Fines," as may be amended from time to time.

1 Administrative Code Chapter 100 shall govern the amount of fees and the procedures for imposition,
2 enforcement, collection, and administrative review of administrative citations, provided, however, that
3 the duties assigned to the Controller by Sections 100.1-100.15 of Administrative Code Chapter 100
4 shall be assumed and performed by the Director of Health or his or her designee, and further provided
5 that:

6 (1) Each violation of Section 976.3(a) shall constitute a separate offense. Failure to
7 provide a written disclosure at the time of rental and failure to provide a disclosure on the key ring or
8 in the vehicle compartment shall constitute separate offenses; and

9 (2) Each day in which a Person violates Section 976.3(b) shall constitute a separate
10 offense.

11 (c) Civil Penalty. Any Person who violates this Article 13.3 may be liable for a civil penalty
12 not to exceed \$1,000 for each violation of Section 976.3(a) and not to exceed \$1,000 for each day in
13 which there is a violation of Section 976.3(b). With regard to violations of Section 976.3(a), failure to
14 provide a written disclosure at the time of rental and failure to provide a disclosure on the key ring or
15 in the vehicle compartment shall constitute separate offenses. Penalties shall be assessed and
16 recovered in a civil action brought in the name of the people of the City by the City Attorney in any
17 court of competent jurisdiction. In assessing the amount of the civil penalty, the court may consider any
18 one or more of the relevant circumstances presented by any of the parties to the case including, but not
19 limited to, the following: the nature and seriousness of the violations, the number of violations, the
20 persistence of the violations, the length of time over which the violations occurred, the willfulness of the
21 person charged with the violations, and the assets, liabilities, and net worth of the person charged with
22 the violations. The City Attorney also may seek recovery of the attorney's fees and costs incurred in
23 bringing a civil action pursuant to this subsection (c).

1 **SEC. 975.5. UNDERTAKING FOR THE GENERAL WELFARE.**

2 In enacting and implementing this Article 13.3, the City is assuming an undertaking only to
3 promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an
4 obligation for breach of which it is liable in money damages to any person who claims that such breach
5 proximately caused injury.

6
7 **SEC. 976.6. SEVERABILITY.**

8 If any section, subsection, sentence, clause, phrase, or word of this Article 13.3, or any
9 application thereof to any person or circumstance, is held to be invalid or unconstitutional by a
10 decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining
11 portions or applications of this Article. The Board of Supervisors hereby declares that it would have
12 passed this Article and each and every section, subsection, sentence, clause, phrase, and word not
13 declared invalid or unconstitutional without regard to whether any other portion of this Article or
14 application thereof would be subsequently declared invalid or unconstitutional.

15
16 Section 2. Creating Article 13.2 and Reorganizing Sections. Article 13.2 shall be
17 added to the Police Code and entitled "Bicycle Messenger Businesses." Existing Sections
18 975.1, 975.2, 975.3, and 975.4 shall be placed in Article 13.2. These changes are not made
19 for any substantive reason and shall have no substantive effect. The changes are made
20 solely for the purpose of reorganizing the affected sections, so as to permit this ordinance to
21 be codified in Article 13.3 of the Police Code. The City Attorney shall direct the publisher of
22 the Municipal Code to take all appropriate steps to effectuate this provision.

23
24 Section 3. Effective Date. This ordinance shall become effective 30 days after
25 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

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.

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By:



7 _____
8 BRADLEY A. RUSSI
9 Deputy City Attorney

10 n:\legana\as2016\1600776\01138474.docx

LEGISLATIVE DIGEST

[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 does not compel rental car companies in the City to advise customers of the risk of auto burglaries.

Amendments to Current Law

The proposed ordinance would require rental car companies in the City to advise customers not to leave valuables in the 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 Director of Health is authorized to enforce the ordinance through administrative citations. The City Attorney is authorized to bring a civil action against rental car companies that fail to comply.

n:\legana\as2016\1600776\01139874.docx