

File No. 190584

Committee Item No. 15

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 17, 2019

Board of Supervisors Meeting

Date _____

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Completed by: Linda Wong

Date July 12, 2019

Completed by: Linda Wong

Date _____

[Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Tax on Net Rider Fares of Commercial Ride-Share Companies, Autonomous Vehicles, and Private Transit Services Vehicles]

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by commercial ride-share companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

MOVED, That the Board of Supervisors hereby submits the following ordinance to the voters of the City and County of San Francisco, at an election to be held on November 5, 2019.

Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by commercial ride-share companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

NOTE: **Unchanged Code text and uncoded text** are in plain font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

2
3 Section 1. Pursuant to Articles XIII A and XIII C of the Constitution of the State of
4 California, this ordinance shall be submitted to the qualified electors of the City and County of
5 San Francisco at the November 5, 2019, municipal election.

6
7 Section 2. The Business and Tax Regulations Code is hereby amended by adding
8 Article 32, consisting of Sections 3201 to 3213, to read as follows:

9
10 **ARTICLE 32: TRAFFIC CONGESTION MITIGATION TAX**

11
12 **SEC. 3201. SHORT TITLE.**

13 *This Article 32 shall be known as the "Traffic Congestion Mitigation Tax Ordinance," and the*
14 *tax it imposes shall be known as the "Traffic Congestion Mitigation Tax."*

15
16 **SEC. 3202. FINDINGS AND PURPOSE.**

17 *(a) Strategies for managing traffic congestion are key to ensuring that San Francisco's*
18 *transportation system remains efficient, affordable, and safe as the number of jobs and the population*
19 *in San Francisco grows. These strategies include improving transit, improving access to bicycling and*
20 *walking, supporting walkable and transit-oriented neighborhoods, and managing vehicle use, parking,*
21 *and traffic signals.*

22 *(b) Over the years, traffic congestion has increased in San Francisco, with San Francisco*
23 *ranking among the top five most congested cities in the world, according to the 2018 INRIX Global*
24 *Traffic Scorecard, which analyzes traffic congestion in more than 200 cities across 38 countries. As*
25

1 congestion increases, it is vital that San Francisco continue to make its transit system faster and more
2 reliable while ensuring that the City invests in streets to create a safer environment.

3 (c) Emerging technologies, including autonomous vehicles, are expected to further increase
4 traffic congestion in San Francisco, with the San Francisco County Transportation Authority's 2017
5 Report "TNCs Today" documenting that transportation network companies accounted for
6 approximately 50% of San Francisco's congestion increase from 2010-2016. As these technologies
7 expand, it is critical that they complement existing transit infrastructure and improve first-mile-last-
8 mile accessibility, while mitigating congestion.

9 (d) In 2014, San Francisco adopted Vision Zero, a plan committed to eliminating all traffic
10 deaths in San Francisco. The Vision Zero High Injury Network guides the City's investments in
11 infrastructure and ensures prioritization of critical Transit First, pedestrian safety, and bicycle safety
12 projects. In San Francisco, 13% of streets account for 75% of the City's severe traffic injuries and
13 fatalities. To further the goal of Vision Zero, San Francisco must increase capital investments in street
14 safety.

15 (e) In 2017, the San Francisco Transportation 2045 Task Force identified a projected \$22
16 billion funding gap for San Francisco's transportation system through 2045 and possible revenue
17 sources to close that gap, including a tax on rides facilitated by transportation network companies.

18 (f) In 2018, the Legislature enacted Assembly Bill 1184, which confirmed the City's authority to
19 impose a tax on net rider fares for rides originating in San Francisco, including rides facilitated by
20 transportation network companies and rides provided by autonomous vehicles.

21
22 **SEC. 3203. DEFINITIONS.**

23 Unless otherwise defined in this Article 32, the terms used in this Article shall have the
24 meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time
25 to time.

1 For purposes of this Article 32, the following definitions apply.

2 "Autonomous Vehicle" means a vehicle, other than a Taxicab or Limousine, with or without a
3 driver, equipped with and into which has been integrated technology that has the capability to drive the
4 vehicle without the active physical control by a natural person, regardless of whether the vehicle is in
5 driverless operation. An Autonomous Vehicle includes any vehicle capable of being driven remotely by
6 a natural person.

7 "Commercial Ride-Share Company" means a person that provides prearranged transportation
8 services for compensation using an online-enabled application or platform or any offline method to
9 connect passengers with drivers using a Personal Vehicle, including but not limited to a transportation
10 network company as that term is defined in Section 5431(c) of the California Public Utilities Code as of
11 June 30, 2019.

12 "Limousine" means a limousine as that term is used in Section 5431 of the California Public
13 Utilities Code as of June 30, 2019.

14 "Mobility Provider" means any person conducting or controlling a business that provides rides
15 to fare-paying passengers using an Autonomous Vehicle or a Private Transit Services Vehicle, or both,
16 including but not limited to the owner or proprietor of such business.

17 "Net Rider Fare" means all charges for a ride, including but not limited to charges based on
18 time or distance, or both, and excluding any taxes, fees, and other charges where such taxes, fees, and
19 other charges are imposed by governmental entities on that ride. The Net Rider Fare for a ride
20 includes subscription fees and other indirect charges that are attributable to that ride. The entire
21 amount of subscription fees and other indirect charges that are charged in connection with passenger
22 rides shall be presumed, subject to rebuttal, to be attributable to passenger rides.

23 "Personal Vehicle" means a vehicle that (1) has a passenger capacity of eight persons or less,
24 including the driver, (2) is owned, leased, rented, or otherwise authorized for use by the driver,
25

1 (3) meets any applicable inspection and other safety requirements imposed by the California Public
2 Utilities Commission, and (4) is not a Taxicab or Limousine.

3 "Private Transit Services Vehicle" means a private transit vehicle as defined in Section 1202 of
4 the Transportation Code as of June 30, 2019.

5 "Shared Ride" means a ride in which, prior to the commencement of the ride, a passenger
6 requests to share the ride with one or more passengers and each passenger is charged a fare that is
7 calculated, in whole or in part, based on the passenger's request to share all or part of the ride with
8 one or more passengers, regardless of whether the passenger actually shares all or part of the ride. A
9 ride provided by a Private Transit Services Vehicle shall be deemed to be a Shared Ride if that vehicle
10 is designed to carry and regularly carries more than one passenger at a time.

11 "Taxicab" means a taxicab as that term is used in Section 5431 of the California Public
12 Utilities Code as of June 30, 2019.

13 "Zero-Emission Vehicle" means a vehicle of a year, make, and model that the California Air
14 Resources Board has certified as a zero-emission vehicle under Section 1962.2 of Title 13 of the
15 California Code of Regulations, as may be amended or replaced by a similar regulation, for 2018 and
16 subsequent model years; under Section 1962.1 of Title 13 of the California Code of Regulations for
17 2009 through 2017 model years; or under Section 1962 of Title 13 of the California Code of
18 Regulations or predecessor regulation, for 2008 and prior model years. For purposes of this
19 Article 32, a vehicle shall be considered a Zero-Emission Vehicle on and after the date the California
20 Air Resources Board has certified that vehicle's year, make, and model as a zero-emission vehicle
21 under the aforementioned regulations.

1 **SEC. 3204. IMPOSITION OF TAX.**

2 (a) Except as otherwise provided in this Article 32, for the privilege of engaging in business in
3 the City and to raise revenue for the purposes set forth in Section 3208, the City imposes a Traffic
4 Congestion Mitigation Tax, which shall be a special excise tax, as follows:

5 (1) Except as provided in Section 3204(a)(3), for each ride originating in the City
6 facilitated by a Commercial Ride-Share Company, the tax shall be imposed on the Commercial Ride-
7 Share Company and shall be calculated by applying the following percentages to the Net Rider Fare
8 attributable to the City.

9 (A) 1.5% for a Shared Ride;

10 (B) 3.25% for a ride other than a Shared Ride.

11 (2) Except as provided in Section 3204(a)(3), for each ride originating in the City
12 provided by an Autonomous Vehicle or a Private Transit Services Vehicle, and not facilitated by a
13 Commercial Ride-Share Company, the tax shall be imposed on the Mobility Provider of the
14 Autonomous Vehicle or the Private Transit Services Vehicle and shall be calculated by applying the
15 following percentages to the Net Rider Fare attributable to the City.

16 (A) 1.5% for a Shared Ride;

17 (B) 3.25% for a ride other than a Shared Ride.

18 (3) From January 1, 2020 through December 31, 2024, for each ride described in
19 Section 3204(a)(1) or Section 3204(a)(2) that is provided in a Zero-Emission Vehicle, the tax shall be
20 calculated by multiplying the Net Rider Fare attributable to the City for that ride by 1.5%.

21 (b) For purposes of this Article 32, a passenger's ride originates in the City if the vehicle picks
22 up that passenger in the City. The Net Rider Fare attributable to the City for each ride shall be the Net
23 Rider Fare for that ride multiplied by a fraction, the numerator of which is the distance traveled within
24 the City for that ride and the denominator of which is the total distance traveled for that ride. In lieu of
25 calculating the distance traveled within the City for each ride a portion of which occurs outside the

1 City, a person subject to tax under this Article 32 may presume that the Net Rider Fare for each such
2 ride is 50% attributable to the City; provided, however, that such presumption must be applied to all
3 rides for which a portion occurs outside the City during the reporting period. If it is impracticable or
4 unreasonable to attribute a Net Rider Fare to the City based on distance traveled, the Net Rider Fare
5 attributable to the City shall be determined on the basis of all relevant facts and circumstances of the
6 particular case, in accordance with any rulings or regulations issued or promulgated by the Tax
7 Collector.

8 (c) The tax imposed under this Section 3204 shall apply only to persons that are engaging in
9 business within the City within the meaning of Section 6.2-12 of Article 6 of the Business and Tax
10 Regulations Code.

11 (d) The Traffic Congestion Mitigation Tax shall be operative on January 1, 2020 and shall
12 expire on November 5, 2045.

13
14 **SEC. 3205. EXEMPTIONS AND EXCLUSIONS.**

15 (a) Rides that originate in the City and carry passengers across the California state line shall
16 be exempt from the Traffic Congestion Mitigation Tax for only so long as and to the extent that the City
17 is prohibited from taxing such rides under Section 14505 of Title 49 of the United States Code.

18 (b) Net Rider Fare as defined in Section 3203 shall not include charges for a ride or a portion
19 of a ride if, and only so long as and to the extent that, the City is prohibited from taxing such ride or
20 portion of a ride under the Constitution or laws of the United States or under the Constitution or laws
21 of the State of California.

22 (c) Any person upon whom the City is prohibited under the Constitution or laws of the United
23 States or under the Constitution or laws of the State of California from imposing the Traffic Congestion
24 Mitigation Tax shall be exempt from the Traffic Congestion Mitigation Tax.

1 **SEC. 3206. CONSTRUCTION AND SCOPE OF THE TRAFFIC CONGESTION MITIGATION**
2 **TAX ORDINANCE.**

3 *(a) This Article 32 is intended to authorize application of the Traffic Congestion Mitigation Tax*
4 *in the broadest manner consistent with its provisions and with the California Constitution, the United*
5 *States Constitution, and any other applicable provision of federal or state law.*

6 *(b) The Traffic Congestion Mitigation Tax imposed by this Article 32 is in addition to all other*
7 *City taxes, including without limitation the gross receipts tax imposed by Article 12-A-1 of the Business*
8 *and Tax Regulations Code, as amended from time to time. Accordingly, by way of example and not*
9 *limitation, persons subject to both the Traffic Congestion Mitigation Tax and the gross receipts tax*
10 *shall pay both taxes. Similarly, persons exempt from either the gross receipts tax or the Traffic*
11 *Congestion Mitigation Tax, but not both, shall pay the tax from which they are not exempt.*

12
13 **SEC. 3207. ADMINISTRATION OF THE TRAFFIC CONGESTION MITIGATION TAX**
14 **ORDINANCE.**

15 *Except as otherwise provided under this Article 32, the Traffic Congestion Mitigation Tax shall*
16 *be administered pursuant to Article 6 of the Business and Tax Regulations Code, as amended from time*
17 *to time, including all penalties and other charges imposed by that Article.*

18
19 **SEC. 3208. DEPOSIT OF PROCEEDS; EXPENDITURE OF PROCEEDS.**

20 *(a) All monies collected under the Traffic Congestion Mitigation Tax Ordinance shall be*
21 *deposited to the credit of the Traffic Congestion Mitigation Fund, established in Administrative Code*
22 *Section 10.100-345. The Fund shall be maintained separate and apart from all other City funds and*
23 *shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year*
24 *shall be deemed to have been provided for a special purpose within the meaning of Charter*
25

1 Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described
2 in Section 3208(b)(3), below.

3 (b) Subject to the budgetary and fiscal provisions of the Charter, monies in the Traffic
4 Congestion Mitigation Fund shall be appropriated on an annual or supplemental basis and used
5 exclusively for the following purposes:

6 (1) Up to 2% of the proceeds of the Traffic Congestion Mitigation Tax distributed in
7 any proportion to the Tax Collector and other City departments, for administration of the Traffic
8 Congestion Mitigation Tax and administration of the Traffic Congestion Mitigation Fund.

9 (2) Refunds of any overpayments of the Traffic Congestion Mitigation Tax, including
10 any related penalties, interests, and fees.

11 (3) All remaining amounts for the following purposes, in the following percentages,
12 which amounts shall include the costs of administering the programs described.

13 (A) 50% to the Municipal Transportation Agency, or any successor agency, for
14 Muni transit service and affordability, system reliability and capacity, and keeping transit
15 infrastructure in a state of good repair, to be used exclusively for the following purposes:

16 (i) Improving bus and rail service frequency and reliability.

17 (ii) Maintaining and expanding Muni fleet and facilities.

18 (iii) Improving access, including stations, escalators, and elevators.

19 (iv) Improving reliability through fixing and/or replacing rails, overhead
20 wires, associated fixed guideway infrastructure, and traffic signals.

21 (B) 50% to the San Francisco County Transportation Authority, or any
22 successor body, for planning, design studies, and/or capital improvements that promote users' safety in
23 the public right-of-way, to be used exclusively for the following purposes:

24 (i) Pedestrian and bicycle safety infrastructure, including civil and
25 signal improvements, mid-block crossings, and bike boxes.

1 (ii) Physical protection of bicycle facilities from motorized traffic,
2 including bicycle lanes within street rights-of-way.

3 (iii) Traffic calming.

4 (iv) Traffic signal and traffic signal timing improvements.

5 (v) Maintenance of existing safety infrastructure.

6 (c) All amounts allocated to the Municipal Transportation Agency under Section 3208(b)(3)(A)
7 shall be credited to the Municipal Transportation Fund as described in Section 8A.105 of Article VIIIA
8 of the Charter.

9 (d) Commencing with a report filed no later than February 15, 2022, covering the fiscal year
10 ending on June 30, 2021, the Controller shall file annually with the Board of Supervisors, by
11 February 15 of each year, a report containing the amount of monies collected in and expended from the
12 Traffic Congestion Mitigation Fund during the prior fiscal year, the status of any project authorized to
13 be funded by this Section 3208, and such other information as the Controller, in the Controller's sole
14 discretion, deems relevant to the operation of this Article 32.

15
16 **SEC. 3209. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.**

17 The City is hereby authorized to issue from time to time limited tax bonds to finance the costs of
18 the capital projects described in Section 3208. The City shall be authorized to pledge revenues
19 generated by the Traffic Congestion Mitigation Tax to the repayment of limited tax bonds authorized
20 under this Section 3209. The amount of limited tax bonds authorized hereby shall not exceed
21 \$300,000,000 in aggregate principal amount. The Board of Supervisors shall by ordinance or
22 resolution, as applicable, establish the terms of any limited tax bonds authorized hereby, including but
23 not limited to, the amount of the issue, date, covenants, denominations, interest rate or rates, maturity
24 or maturities, redemption rights, tax status, manner of sale, and such other particulars as are necessary
25 or desirable.

1 **SEC. 3210. AMENDMENT OF ORDINANCE.**

2 *The Board of Supervisors may amend or repeal this Article 32 by ordinance by a two-thirds*
3 *vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California*
4 *Constitution.*

5
6 **SEC. 3211. EFFECT OF STATE AND FEDERAL AUTHORIZATION.**

7 *To the extent that the City's authorization to impose or to collect any tax imposed under this*
8 *Article 32 is expanded or limited as a result of changes in state or federal statutes, regulations, or other*
9 *laws, or judicial interpretations of those laws, no amendment or modification of this Article shall be*
10 *required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with*
11 *those changes, and the Tax Collector shall collect them to the full extent of the City's authorization up*
12 *to the full amount and rate of the taxes imposed under this Article.*

13
14 **SEC. 3212. SEVERABILITY.**

15 *(a) Except as provided in Section 3212(b), if any section, subsection, sentence, clause, phrase,*
16 *or word of this Article 32, or any application thereof to any person or circumstance, is held to be*
17 *invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not*
18 *affect the validity of the remaining portions or applications of this Article. The People of the City and*
19 *County of San Francisco hereby declare that, except as provided in Section 3212(b), they would have*
20 *adopted this Article 32 and each and every section, subsection, sentence, clause, phrase, and word not*
21 *declared invalid or unconstitutional without regard to whether any other portion of this Article or*
22 *application thereof would be subsequently declared invalid or unconstitutional.*

23 *(b) If the imposition of the Traffic Congestion Mitigation Tax in Section 3204 is held in its*
24 *entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this*
25 *Article 32 shall be void and of no force and effect, and the City Attorney shall cause it to be removed*

1 from the Business and Tax Regulations Code, and likewise cause Section 10.100-345 to be removed
2 from the Administrative Code.

3
4 **SEC. 3213. SAVINGS CLAUSE.**

5 No section, clause, part, or provision of this Article 32 shall be construed as requiring the
6 payment of any tax that would be in violation of the Constitution or laws of the United States or of the
7 Constitution or laws of the State of California.

8
9 Section 3. Chapter 10 of the Administrative Code is hereby amended by adding
10 Section 10.100-345 to Article XIII, to read as follows:

11
12 **SEC. 10.100-345. TRAFFIC CONGESTION MITIGATION FUND.**

13 (a) Establishment of Fund. The Traffic Congestion Mitigation Fund ("Fund") is established as
14 a category four fund as defined in Section 10.100-1 of the Administrative Code, and shall receive all
15 taxes, penalties, interest, and fees collected from the Traffic Congestion Mitigation Tax imposed under
16 Article 32 of the Business and Tax Regulations Code.

17 (b) Use of Fund. Subject to the budgetary and fiscal provisions of the Charter, monies in the
18 Fund shall be used exclusively for the purposes described in Section 3208(b) of Article 32 of the
19 Business and Tax Regulations Code.

20 (c) Administration of Fund. As stated in Section 3208(d) of Article 32 of the Business and Tax
21 Regulations Code, commencing with a report filed no later than February 15, 2022, covering the fiscal
22 year ending June 30, 2021, the Controller shall file annually with the Board of Supervisors, by
23 February 15 of each year, a report containing the amount of monies collected in and expended from the
24 Fund during the prior fiscal year, the status of any project authorized to be funded by Section 3208,

1 and such other information as the Controller, in the Controller's sole discretion, deems relevant to the
2 operation of Article 32.

3
4 Section 4. Appropriations Limit Increase. Pursuant to California Constitution
5 Article XIII B and applicable laws, for four years from November 5, 2019, the appropriations
6 limit for the City shall be increased by the aggregate sum collected by the levy of the tax
7 imposed under this ordinance.

8
9 Section 5. Effective and Operative Dates. The effective date of this ordinance shall be
10 ten days after the date the official vote count is declared by the Board of Supervisors. This
11 ordinance shall become operative on January 1, 2020.

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

15 By: Kerne H. O. Matsubara
16 KERNE H. O. MATSUBARA
Deputy City Attorney

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LEGISLATIVE DIGEST
(Amended in Committee - 7/10/2019)

[Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Tax on Net Rider Fares of Commercial Ride-Share Companies, Autonomous Vehicles, and Private Transit Services Vehicles]

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by commercial ride-share companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

Existing Law

The City currently does not tax the fares of passenger rides, except that businesses that provide such rides are subject to the City's general business registration and business tax laws.

Amendments to Current Law

This ordinance would impose a tax, effective January 1, 2020, on commercial ride-share companies, including transportation network companies, that facilitate passenger rides originating in the City and on persons conducting or controlling businesses that provide rides originating in the City to fare-paying passengers using autonomous vehicles and private transit services vehicles. The tax would be 3.25 percent of the passenger fare attributable to the City, excluding any taxes, fees, and other government charges. Passenger fares generally are attributable to the City based on the distance traveled within the City. For a shared ride, the rate would be 1.5 percent.

The above rates would apply to rides provided in a zero-emission vehicle, except that the 1.5 percent rate would apply to shared and unshared rides from January 1, 2020 through December 31, 2024.

The tax would be dedicated to funding transportation operations and infrastructure to mitigate traffic congestion in the City. Half of the tax proceeds would go to the Municipal Transportation Agency for improving bus and rail service frequency and reliability; maintaining and expanding Muni fleet and facilities; improving access; and improving reliability through fixing and/or replacing rails, overhead wires, associated fixed guideway infrastructure, and traffic signals. The remaining half would go to the San Francisco County Transportation Authority for pedestrian and bicycle safety infrastructure; physical protection of bicycle

facilities from motorized traffic; traffic calming; traffic signal and traffic signal timing improvements; and maintenance of existing safety infrastructure.

The tax would expire on November 5, 2045.

This ordinance would authorize the City to issue limited tax bonds, not to exceed \$300,000,000 in the aggregate, and pledge revenues generated by this tax to the repayment of those bonds.

This ordinance would increase the City's appropriations limit under Article XIII B by the amounts collected from the additional tax from this new industry category, for four years from November 5, 2019.

Background Information

In September 2018, the Legislature enacted Assembly Bill 1184, which confirmed the City's authority to impose a tax on net rider fares for rides originating in San Francisco, including rides facilitated by transportation network companies and rides provided by autonomous vehicles.

This legislative digest reflects amendments made in committee on July 10, 2019. The amendments modified the definition of an autonomous vehicle and made other non-substantive changes.

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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

May 28, 2019

File No. 190584

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Dear Ms. Gibson:

On May 21, 2019, Mayor Breed introduced legislation for the following proposed Initiative Ordinance for the November 5, 2019, Election:

File No. 190584

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by transportation network companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

Linda Wong
By: Linda Wong, Assistant Clerk
Budget and Finance Committee

Attachment

c: Joy Navarrete, Environmental Planner
Laura Lynch, Environmental Planner

CEQA does not apply to a measure submitted to the voters by the Mayor or 4 Supervisors.

joy navarrete

Digitally signed by joy navarrete
DN: cn=joy navarrete, o=City of San Francisco, ou=City Planning, email=joy.navarrete@sf.gov, c=US
Date: 2019.07.23 16:15:19 -0700

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: Ben Rosenfield, City Controller, Office of the Controller

FROM: *ll*
bw Linda Wong, Assistant Clerk, Budget and Finance Committee
Board of Supervisors

DATE: May 28, 2019

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 5, 2019 Election

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance for the November 5, 2019, Election, introduced by Mayor Breed on May 21, 2019. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 190584

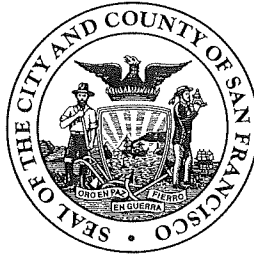
Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by transportation network companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

Please review and prepare a financial analysis of the proposed measure prior to the first Budget and Finance Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7719 or email: linda.wong@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller
Peg Stevenson, City Performance Director
Natasha Mihal, City Services Auditor

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: Sophia Kittler, Liaison to the Board of Supervisors, Mayor's Office
Jon Givner, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
LeeAnn Pelham, Executive Director, Ethics Commission
Naomi Kelly, City Administrator, Office of the City Administrator
Ed Reiskin, Executive Director, Municipal Transportation Agency
Regina Dick-Endrizzi, Director, Office of Small Business
Mohammed Nuru, Director, Public Works
Jose Cisneros, Treasurer, Office of the Treasurer & Tax Collector

FROM: *ll*
bw Linda Wong, Assistant Clerk, Budget and Finance Committee
Board of Supervisors

DATE: May 28, 2019

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 5, 2019 Election

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance for the November 5, 2019, Election, introduced by Mayor Breed on May 21, 2019. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 190584

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by transportation network companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7719 or email: linda.wong@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Andres Power, Mayor's Office
 Rebecca Peacock, Mayor's Office
 Patrick Ford, Ethics Commission
 Lynn Khaw, Office of the City Administrator
 Lihmeei Leu, Office of the City Administrator
 Kate Breen, Municipal Transportation Agency
 Janet Martinsen, Municipal Transportation Agency
 Joel Ramos, Municipal Transportation Agency
 Dominica Donovan, Office of Small Business
 David Steinberg, Public Works
 Jeremy Spitz, Public Works
 Jennifer Blot, Public Works
 John Thomas, Public Works
 Lena Liu, Public Works
 Amanda Kahn Fried, Office of the Treasurer & Tax Collector



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Initiative Ordinance - Business and Tax Regulations, Administrative Codes
- Tax on Net Rider Fares of Transportation Network Companies,
Autonomous Vehicles, and Private Transit Services Vehicles
DATE: May 21, 2019

SK

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by transportation network companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

2019 MAY 21 PM 2:40
AK
BOARD OF SUPERVISORS
SAN FRANCISCO

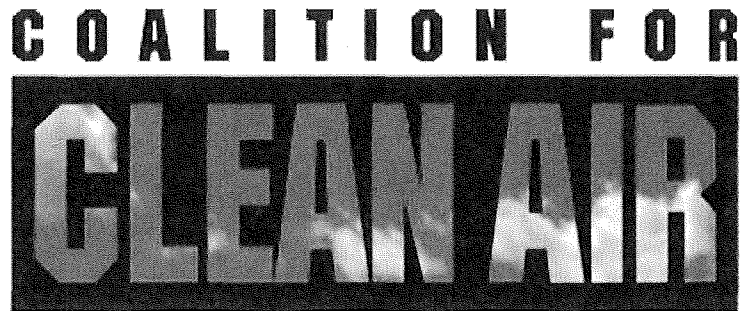
Wong, Linda (BOS)

From: Rocky Rushing <Rocky@ccair.org>
Sent: Tuesday, July 9, 2019 5:40 PM
To: Fewer, Sandra (BOS); Mandelman, Rafael (BOS); Stefani, Catherine (BOS)
Cc: Wong, Linda (BOS)
Subject: TNC Tax Initiative Ordinance file item #18
Attachments: B&F TNC tax comments.docx

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Please see the attached comments from Coalition for Clean Air.

Rocky Rushing
Senior Policy Advocate
Coalition for Clean Air
(916) 527-8050



July 7, 2019

Budget and Finance Sub-Committee
City Hall, Room 244 1
Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Re: Item #18, Motion 190584 [Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Tax on Net Rider Fares of Transportation Network Companies, Autonomous Vehicles, and Private Transit Services Vehicles]

Dear Supervisors Fewer, Stefani and Mandalman,

The Budget and Finance Sub-Committee has a great opportunity to place before the entire Board of Supervisors and ultimately the voters of San Francisco a ballot measure that would help relieve traffic congestion and improve air quality while advancing climate and public health targets.

To do so, Coalition for Clean Air recommends the sub-committee amend the above referenced ordinance to result in a transportation network company (TNC) tax structure as follows:

- Conventional Vehicle, single rider – 3.25 percent
- Shared ride or Zero Emission ride – 1.5 percent
- Shared ride *in* Zero Emission ride – no tax

Also, the proposed ordinance should be amended to **extend this structure from 5 years to 10 years** to better encourage the transition to ZEVs and to promote ride sharing as a means of reducing traffic. In doing so, the ordinance will reflect equally important goals of the authorizing legislation, AB 1184 (Ting).

AB 1184 originated as a measure to reduce greenhouse gas emissions and to encourage zero-emission rides through a strong differentiated price signal. We strongly encourage the city to meet this objective by exempting shared zero emission rides from the net rider tax.

The widespread adoption and use of zero-emission vehicles, particularly in ridesharing, is critical to reducing greenhouse gas emissions, providing citizens clean air to breathe, lessening our dependence on fossil fuels, and reducing congestion.

Moreover, a shared electric transportation system is critical to achieving California's ambitious ZEV objectives, its climate goals, and San Francisco's own 0-80-100-Roots climate action strategy.

Your sub-committee today will also vote on a significant bond obligation to strengthen and repair the Embarcadero Seawall to protect the waterfront, BART and Muni, historic piers, buildings and roads from sea-level rise caused by climate change, among other threats. Yet, there seems to be a disconnect between this climate-related action and making the best effort possible to incentivize EV deployment and ridesharing.

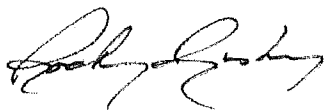
Today, 99 percent of vehicles on the road burn fossil fuels. Carbon dioxide emissions are the primary cause of global warming and transportation is the top source of this nation's, this state's, and this city's carbon pollution. Simply put, we must change what we drive.

More people are choosing ridesharing as their preferred method of travel so why not do all you can to encourage the advancement of green ridesharing, while at the same time funding needed investments in transportation infrastructure?

To differentiate shared rides in ZEVs from those in internal-combustion-engine vehicles is logical and easily understood. TNC customers will have no trouble understanding that ride sharing in an emissions-free vehicle will reap the greatest benefits – zero tax and zero emissions. The resulting loss of revenue will be insignificant compared to the model San Francisco will be setting for the rest of the nation – especially for cities like Los Angeles that are considering similar means to electrify the TNC industry while lessening their impact on air quality and traffic congestion.

Encouraging the next wave of vehicle electrification is before you and San Francisco has a chance to set the national standard for how cities approach this growing segment of passenger travel. This opportunity should not be missed.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read 'Rocky Rushing', with a stylized, cursive script.

Rocky Rushing
Senior Policy Advocate

Wong, Linda (BOS)

From: Kristina Pappas <kristina.pappas@gmail.com>
Sent: Tuesday, July 9, 2019 1:32 PM
To: Fewer, Sandra (BOS); Mandelman, Rafael (BOS); Stefani, Catherine (BOS)
Cc: Wong, Linda (BOS)
Subject: SFLCV comment for item #18, File # 190584 re: TNC tax
Attachments: 2019_07_09_SFLCV Ltr re TNC tax.pdf

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Please find attached our letter in support of amending the TNC tax legislation to encourage shared rides in zero emission vehicles.

Thank you,
Kristina

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Kristina Pappas
415.812.3128



July 09, 2019

Budget and Finance Sub-Committee
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: SFLCV supports reducing TNC tax rate for ZEV+shared ride

Dear Supervisors,

The San Francisco League of Conservation Voters encourages you to strengthen this proposed legislation by including a third tier in the TNC ride tax rates:

Conventional solo rides: 3.25%
ZEV OR shared rides: 1.5%
ZEV AND shared rides: 0%

San Francisco faces twin problems of air pollution, including carbon emissions and fine particulates, and congestion. We need to encourage riders to make choices that will address both. Including this tier will also strengthen the measure at the ballot box, as voters recognize the underlying purpose of the tax and appreciate that making the most environmentally-friendly choice will not cost them anything.

We also encourage you to extend the duration of discounted tax rate for ZEVs to 10 years from the current 5. Drivers will be more likely to invest in ZEVs when there is more stability and certainty about the long-term costs and benefits.

We urge you to amend and strengthen this important legislation.

Sincerely,

Kristina Pappas
President of the Board
San Francisco League of Conservation Voters

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Wednesday, May 29, 2019 12:03 PM
To: BOS-Supervisors; Wong, Linda (BOS)
Subject: FW: Oppose Peskin TNC Tax 190584

From: Jordan Davis <jodav1026@gmail.com>
Sent: Monday, May 27, 2019 11:51 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Breed, Mayor London (MYR) <mayorlondonbreed@sfgov.org>
Subject: Oppose Peskin TNC Tax 190584

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

I would like to express my opposition to the submission of Supervisor Peskin's ballot measure taxing TNCs, as it is a regressive tax that will hurt marginalized communities.

As it stands right now, women often do not feel safe on public transit (more so if a woman is a woman of color, disabled, trans, queer, etc.), and thus, one should not be blamed or shamed for feeling the need to use rideshares. Now, with this tax, it will be more expensive for women (who often face income inequality that is more pronounced if a woman of color, disabled, trans, queer, etc.) to ensure their safety. Until there is more transit reliability and more safety for women riding transit, TNCs have become a necessary evil.

To illustrate this, here are a few articles locally and from across the country on this:

<https://www.sfexaminer.com/news/women-say-pink-tax-in-sf-transit-all-too-real/>

<https://www.washingtonpost.com/express/2018/12/07/do-women-face-transportation-pink-tax-dc/>

<https://www.wired.com/story/nyc-public-transportation-pink-tax-gender-gap/>

I am not necessarily pro-Uber or Lyft, I've supported their workers getting better pay and conditions and am in solidarity with the rideshare strikers and will never cross their picket line. As a disability rights advocate, I also am concerned about some disability discrimination issues. However, the ballot measure at hand will not affect these issues.

Nor am I anti-tax. I supported Prop W in 2016, Baby C and G in June 2018, and Prop O(C)OH of November 2018, and I am a supporter of Supervisor Mar's stock tax. But this is a regressive tax that will be passed through to many marginalized communities. We are cautious about passthroughs when it comes to tenant issues, but we seem to not care when it is passed through to consumers.

I realize that by now, everybody on this board has made up their mind, and I am just a low-key one disabled random person, but at the very least, there needs to be a voice of resistance to this.

-Jordan Davis
Speaking only for myself

Wong, Linda (BOS)

From: Mchugh, Eileen (BOS)
Sent: Tuesday, June 4, 2019 4:30 PM
To: Wong, Linda (BOS)
Cc: Somera, Alisa (BOS)
Subject: Please add to the File
Attachments: 3 letters File No. 190584.pdf

Hi Linda,

For File No. 190584.

Thank you!

Eileen McHugh
Executive Assistant
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: (415) 554-7703 | Fax: (415) 554-5163
eileen.e.mchugh@sfgov.org | www.sfbos.org

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Put Cap on Ridesharing / Stop the Needle Program
Date: Thursday, May 30, 2019 12:45:00 PM

From: Donna Williams <dsw.librarian@gmail.com>
Sent: Monday, May 20, 2019 2:53 PM
To: Breed, Mayor London (MYR) <mayorlondonbreed@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Put Cap on Ridesharing / Stop the Needle Program

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Please read this article: <https://www.sfgate.com/technology/article/Uber-Lyft-San-Francisco-pros-cons-ride-hailing-13841277.php>

I live on Beale and traffic has definitely gotten much worse since these start-ups aren't checked by cities. You all have the power to limit the number of drivers. Let's see that these companies don't buy their way into city politics, unless they already have.

Do something to ease congestion as you keep building all the new buildings in the most congested part of the city but don't put traffic control where it's needed.

Heck, throw in a navigation center since that doesn't work either. Any company would never keep throwing money into something with such a small success rate but that sounds about right for the leaders of SF. Can't wait until the drug dealers come to our area since 200 addicts will be joining us.

Needles = Addicts = Feces/Urine EVERYWHERE = Trash

Please tell me what you don't get about that? Birdfeeders always attract more which is why homelessness-ADDICTS are skyrocketing in SF. Stop the needle program, let the police do their jobs, and I guarantee life will get better in SF (at least for the taxpaying hardworking citizens.).but I don't think any of you care about that.

My compassion is completely gone for the addicts. I was almost attacked on Folsom and Beale at 6:45 am on May 3. I've already been choked by an addict on Main & Howard at 4 pm on a Wed. and almost attacked in the Rincon Hill dog park a few months before this charming addict stabbed a CHP officer in the neck. Our city is going downhill so fast. Do something already and take action.

Mayor Breed, i am sorry about your sister but maybe if she was arrested and thrown in jail it might have been a wake up call and she might still be around..I don't know her history or the circumstances of her overdose but sometimes as hard as tough love is, it's the right decision.

Donna Williams
400 Beale. St., SF

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Stop Calling it Ride-Share
Date: Thursday, May 30, 2019 1:09:00 PM
Attachments: [image001.png](#)
[image002.png](#)

From: Chloe <cxjmeister@yahoo.com>
Sent: Wednesday, May 22, 2019 10:18 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Stop Calling it Ride-Share

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good morning,

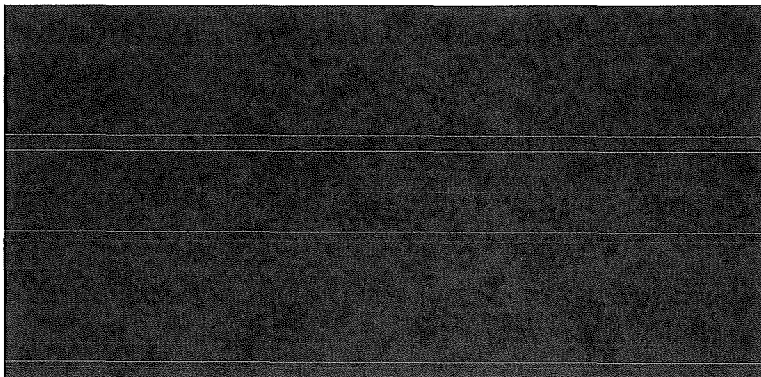
I'm writing to you in direct response to the proposed tax for Uber, Lyft etc., referenced below.

I'd like to ask if you would please stop calling Uber, Lyft and all such companies Ride-Share. That is a misnomer. One person is asking for money to drive another person to a location. It is not sharing, it's another form of taxi service.

In fact, the whole "sharing community" is inappropriately named. Sharing is when two (or more) people go in on the cost of something together, like renting a car or a hotel room; or even an Uber or Lyft or any other product. Companies calling themselves part of the sharing community are only doing it to sound like they're doing something feel-good, but they are no different from any other company providing a service for which people pay. They are not sharing anything.

Thank you,
Chloe Jager

Breed, Peskin introduce ride-share tax proposal



Breed, Peskin introduce ride-share tax proposal

By FOX

San Francisco voters could soon be asked to decide whether to impose a sales tax on every Uber and Lyft ride in ...

"The Animals of the planet are in desperate peril. Without free animal life I believe we will lose the spiritual equivalent of oxygen."

~Alice Walker

There are always those who need our support as they keep our country free.

If you would like to learn more, please visit...

<http://soldiersangels.org/>

From: Jamey Frank
To: Breed, Mayor London (MYR); Brown, Vallie (BOS); Fewer, Sandra (BOS); Mandelman, Rafael (BOS); Haney, Matt (BOS); Yee, Norman (BOS); Peskin, Aaron (BOS); Ronen, Hillary; Safai, Ahsha (BOS); Stefani, Catherine (BOS); Board of Supervisors, (BOS); Walton, Shamann (BOS)
Subject: Improve transit first, don't tax rideshares
Date: Tuesday, May 21, 2019 6:51:14 AM

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Dear Mayor and Supervisors,

If you really want to get people out of their cars, start by improving public transit first. **Taxing the pants off of Uber and Lyft is not the answer!**

The reason people take rideshares is because public transit is simply not reliable. (There simply is no public transportation option for my 5 AM flight.) Additionally, it's just gross! Start by hiring drivers so that the bus actually shows up. Every time I take Muni to work, I know I always have to have Plan B.

"Ban Francisco" is a real thing. That's just lazy politics, punishing people and businesses financially to bend to your will, and we've seen how it just doesn't work.

--Jamey Frank
San Francisco