

**THIS PRINT COVERS CALENDAR ITEM NO. : 14**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Administration, Taxis and Accessible Services

**BRIEF DESCRIPTION:**

Requesting the San Francisco Municipal Transportation Agency Board of Directors to adopt amendments to Transportation Code, Division II, Article 1100 governing Motor Vehicles for Hire, (1) to implement the Taxi Medallion Sales Pilot Program to allow the sale of certain Taxi Medallions, at a price to be determined by the SFMTA, to buyers who are qualified taxi drivers; and (2) to update certain other provisions of Article 1100.

**SUMMARY:**

- SFMTA staff has worked with the San Francisco taxi industry over the past year to develop a proposal for the reform of the San Francisco Taxi Medallion system.
- The proposed amendments to Transportation Code, Division II, Article 1100 represent the staff recommendation for an interim measure to accomplish San Francisco Taxi Medallion reform.
- The proposed Taxi Medallion Sales Pilot Program is expected to produce revenues sufficient to meet the SFMTA's FY 2009-2010 revenue target goals for the Taxi Medallion reform program.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Proposed Amendments to Article 1100

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION PREPARING ITEM \_\_\_\_\_

FINANCE \_\_\_\_\_

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

SECRETARY \_\_\_\_\_

ADOPTED RESOLUTION

BE RETURNED TO Chris Hayashi

**ASSIGNED SFMTAB CALENDAR DATE:** \_\_\_\_\_

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### **PURPOSE**

To implement an interim Taxi Medallion Sales Pilot Program for the reform of the system of distribution of Taxi Medallions in San Francisco.

### **GOAL**

Goal 1: Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.

Objective 1.1: Improve safety and security across all modes of transportation.

Adoption of these proposed amendments would implement the Taxi Medallion Sales Pilot Program. The Pilot Program includes a retirement option for taxi Drivers who are 70 years old or older, many of whom would otherwise be required to continue driving or suffer the loss of Medallion lease income. Creating a retirement alternative for these Drivers will immediately improve the safety of San Francisco taxi customers, pedestrians, bicyclists and other drivers.

Goal 3: External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.

Objective 3.1: Improve economic vitality by growing relationships with businesses, community, and stakeholder groups.

These amendments would be the first step in implementing San Francisco taxi industry reforms that have been subject of debate among industry stakeholders for decades. The process of identifying a recommended path for reform has involved extensive debate and relationship building with the diverse interests that make up the San Francisco taxi industry during 2009. Through this process a great deal of data has been developed and shared. For example:

- The economics (revenues and expenditures) of different elements of the industry have been explored and documented;
- Common goals of the reform process were identified as:
  - public service/public safety;
  - driver quality of life;
  - business stability;
  - SFMTA revenue;
  - opportunities for career advancement for Drivers (incentive to stay in the profession); and
  - retirement opportunities for career Drivers.
- Ideas on reform plans have been presented, collected and compiled for public review;

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- The staff recommendation for the Taxi Medallion Sales Pilot Program was shared, discussed and adjusted through the course of public debate.

This process has been extremely productive. Staff is confident that all viewpoints have been heard and considered in this public process, and that the recommendation contained within these proposed amendments represents a sound public policy decision. Staff offers these proposed amendments with the expectation that they will provide as great an improvement over the status quo to the public, the industry and to the SFMTA as could be achieved during this interim, transitional phase of San Francisco taxi reform. While the proposal does not completely satisfy any interest group of the taxi industry, it does endeavor to provide an immediate benefit to all stakeholders based on broad industry consensus while at the same time calling for compromise from all sides in the interests of developing measures that are reasonable and achievable in the short term.

Goal 4: Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.1: Increase revenue by 20 percent or more by 2012 by improving collections and identifying new sources.

The adoption of the proposed Taxi Medallion Sales Pilot Program is expected to yield substantial new revenues for the SFMTA in the form of revenue from the direct sale of 60 Taxi Medallions by the SFMTA, and revenue from a transfer fee to be paid by qualified Medallion sellers.

## **DESCRIPTION**

The primary purpose of the proposed amendments is to enact the Taxi Medallion Sales Pilot Program (“Pilot Program”), by which the SFMTA Board of Directors would approve the purchase and sale of certain Taxi Medallions at an established Medallion Sale Price by an authorized seller to a qualified purchaser.

The Pilot Program consists of the following major points:

1. Authorized Sellers: Any Medallion held by a natural person who: (1) has attained or will attain the age of 70 years old or older as of December 31, 2010; or (2) suffers from a permanent disability that prevents him or her from fulfilling the Full-Time Driving requirement and has notified the SFMTA of that disability on or before December 31, 2010, would be eligible to sell his or her Medallion. If any qualifying Ramp Taxi Medallion Holder desires to sell a Medallion, the SFMTA would exchange the Ramp Taxi Medallion for a regular Medallion to be sold by the Medallion Holder. No Ramp Taxi Medallion would be sold pursuant to the Pilot Program.

This limited Medallion sales authorization would represent a benefit to public safety, as it would remove the incentive for elderly taxi drivers to continue driving at the risk of losing Medallion income.

2. Qualified Buyers: Medallions could only be purchased by individual Driver Permit Holders who meet all existing eligibility requirements for Medallion ownership, including Full-Time Driving. The SFMTA would offer available Medallions to each qualified Driver Permit Holder in the order of the

Driver's seniority on the Waiting List, and then in the order of A-Card Seniority. The proposed amendments clarify that person would not be eligible to receive a Medallion if he or she already holds a Medallion as an individual or if he or she is a shareholder in a corporation that holds one or more Medallions.

3. Fixed Medallion Sale Price: Any Medallion sold pursuant to these proposed regulations would be sold at a price established by the SFMTA, not to exceed \$400,000. In setting the initial Medallion Sale Price, SFMTA staff would be required to consider commercial loan terms available to Medallion applicants, and the affordability of the monthly payments under such loans, and the anticipated business revenue to be generated from a Medallion. The Medallion Sale Price would be adjusted annually in accordance with the percentage increase in the Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area over the preceding year. The SFMTA would be able to increase or decrease the Medallion Sale Price at any time in accordance with the procedure for setting the initial Medallion Sale Price. No Medallion could be sold until the SFMTA establishes a Medallion Sales Price in accordance with the regulations and notifies the public of that price.

4. Transfer Fees: The seller of a Medallion would be responsible for paying to the SFMTA the Medallion Sale Transfer Fee (15 percent of the Medallion Sale Price) and the Driver Fund Transfer Fee (5 percent of the Medallion Sale Price). The SFMTA would deposit the Driver Fund Transfer Fee into the Driver Fund.

5. Direct Medallion Sales by SFMTA: The SFMTA would be authorized to sell up to 60 Medallions that have been returned to the SFMTA directly to qualified Driver Permit Holders for the Medallion Sale Price as part of the Taxi Medallion Sales Pilot Program. The SFMTA would be responsible for payment of the Driver Fund Transfer Fee for each such Medallion sold.

6. Continued Medallion Re-Issuance to Waiting List: The SFMTA would be required to continue to issue Medallions to applicants on the Waiting List during the Pilot Program, with the goal of offering at least as many Medallions to the Waiting List during the Pilot Program as are sold directly by the SFMTA. This commitment, in addition to the Board's prior direction to staff to aggressively clean up the Waiting List, means that Waiting List applicants would not be negatively affected by the sale of Medallions. Staff expects the Waiting List to move much more quickly for applicants going forward than it has for many years.

The attached resolution provides that any offers of Medallions made to Waiting List Medallion applicants after the Board's adoption of the Pilot Program on February 16, 2010 would be counted toward the number of Medallions offered to Waiting List applicants pursuant to the Taxi Medallion Sales Pilot Program. Otherwise SFMTA staff might hold back offering Medallions to the Waiting List until the first Medallion sales in order to be able to meet the demanding targets for Medallion offers that are part of the Pilot Program. There is no reason to make Waiting List applicants wait any longer than they already have for the implementation of this reform program.

7. Establishment of Driver Fund: The SFMTA would be required to establish a Driver Fund. Driver Fund Transfer Fees would be deposited into that Fund, along with any other funds that the SFMTA, in its sole and absolute discretion, elects to deposit into the Fund. The proposed regulation generally provides that the Driver Fund is to be expended by the SFMTA for the sole purpose of improving the quality of life of the Driver Permit Holders, particularly those Driver Permit Holders who are not Medallion Holders. However, specific expenditures that would be authorized from the Driver Fund would be the subject of continued consultation with the taxi industry during 2010.

8. Taxi Medallion Sales Pilot Program Advisory Council: An industry group would be appointed to monitor the Pilot Program, with a report and recommendations for a long-term Medallion reform solution due to the SFMTA Board of Directors no later than December 31, 2010.

9. End of the Proposition K Waiting List: After the Waiting List is exhausted, Driver seniority for the purpose of Medallion issuance would be determined by the date from which a person became a Driver and continuously maintained his or her Driver Permit with a lapse of no more than two years. During the Pilot Program, the SFMTA would work to reduce the accumulated Waiting List to see to what extent it can be cleaned of unqualified, deceased or disinterested applicants to reduce the waiting time for a Medallion through the seniority system. In anticipation of this pilot program the Proposition K Waiting List was closed by SFMTA staff effective December 16, 2009.

The proposed amendments are a result of extensive discussions with the taxi industry over the past 12 months. Outreach has included extensive Town Hall Meetings at 1 South Van Ness and staff visits to taxi company facilities during Driver shift changes, and to the San Francisco International Airport taxi holding lot. There is not universal consensus on the staff recommendation, but the SFMTA staff proposal does represent a compromise position between many diverse interests and enjoys the support of a broad segment of the San Francisco taxi industry.

The Pilot Program is designed to be 1) temporary and 2) transitional.

The Program is “temporary” in that it is not intended to extend beyond the offer to not more than about 300 Taxi Medallions Holders the option to sell their Medallion during a limited window of time.<sup>1</sup> Even if qualified to sell under the Pilot Program criteria, those Medallion Holders who do not exercise the option to sell their Medallion during the Pilot Program period would not continue to be eligible to sell their Medallion in the future. However, purchased Medallions purchased through the Pilot Program could be re-sold to other qualified buyers over time. The SFMTA Board would be free to limit Medallion transferability to those purchased Medallions going forward. The SFMTA could also elect to purchase the Medallions from their owners and re-distribute them to Drivers by some other mechanism if it wished end the experiment of transferable Taxi Medallions.

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1 Staff estimates that there are 246 Medallion Holders who would qualify on the basis of age. The number of sellers who might qualify to participate on the basis of disability are as yet unknown. With the 60 Medallions to be sold by the SFMTA, the total number of transferable Medallions would be approximately 350 out of 1400 total San Francisco Taxi Medallions. There are an additional 100 Ramp Taxi Medallions that would not be subject to purchase and sale.

The Program is “transitional” in that it is intended to transition certain populations out of the San Francisco taxi industry that had become locked in by virtue of historical events such as the adoption of Proposition K in 1978, the subsequent administrative neglect of the Waiting List and the inconsistency in the definition and enforcement of the Full-Time Driving requirement over time.

During the Pilot Program period, the SFMTA would collect information about the Program, Medallion sales, the Waiting List and other data and performance measures in order to inform the SFMTA Board’s policy decision about long-term Taxi Medallion reform.

The proposed resolution also ratifies SFMTA staff actions since March 1, 2009 in implementing the SFMTA Board’s Motor Vehicle for Hire regulations. The transition of functions between the former Taxi Commission and the SFMTA and the serial process of adopting comprehensive and updated Motor Vehicle for Hire regulations has resulted in a shifting regulatory framework within which staff has sometimes had to operate in accordance with its best judgment. The Board is requested to ratify those staff actions which include but are not limited to permit issuance, denials, revocations, and other decisions made under previous versions of the Transportation and Municipal Police Code, in the event that they are challenged due to any gaps in regulatory authority during the transition period.

The City Attorney has reviewed this report.

## **ALTERNATIVES CONSIDERED**

Staff conducted extensive outreach events over the past 12 months to discuss options for Taxi Medallion reform. These meetings were conducted on site at 1 South Van Ness, as well as at Color Scheme sites at time of Driver shift changes and the San Francisco International Airport taxi holding lot. Staff also met with the Boards of Directors of two cab companies, attended (and continues to attend) meetings of industry groups when invited, including the San Francisco Taxi Coalition, the Medallion Holders Association and the San Francisco Cab Drivers’ Association. Numerous written proposals were submitted and compiled during that process, and have been considered by staff in developing the recommendation for the Taxi Medallion Sales Pilot Program.

The staff recommendation does not preclude adoption of other alternative reform measures in the future. Rather, it is intended to be an interim measure that will move the taxi industry gradually away from the “Prop K” system that had resulted in the accumulation of many elderly Drivers without a viable retirement option as well as a large population of applicants on the Medallion Waiting List. These two populations, legacies of the Prop K system, tend to bog down the reform debate with expectations and assumptions that have been allowed to develop over decades of neglectful administration of the Medallion system.

The proposed interim, consensus solution is intended to be a compromise that will bridge the transition into a new model for the San Francisco taxi industry. It is not intended to predetermine any outcome in the ongoing policy debate about a long-term taxi industry model for San Francisco. To the contrary, staff believes that more alternatives can be considered in the long-term reform discussion if this interim measure is adopted by the Board.

## **FUNDING IMPACT**

The Taxi Medallion Sales Pilot Program is anticipated to yield the following new revenues (final amounts depend on the fixed Medallion Sale Price to be established by SFMTA staff):

- Approximately \$15,000,000 from the direct sale of Taxi Medallions by the SFMTA to qualified taxi Drivers;
- Approximately \$9,000,000 from Medallion Sale Transfer Fees to be paid to the SFMTA by Medallion sellers.

The actual amount of revenue expected will depend upon the Medallion Sale Price, which would be established by the Executive Director/CEO in accordance with the parameters established in these proposed regulations following meetings with potential lending institutions regarding available loan terms.

The timing of these revenues depends on the ability of staff to process Medallion applicants through the normal Medallion qualification process to establish applicants' compliance with Full-Time Driving and other eligibility requirements.

## **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

None.

Staff will bring additional regulations to the SFMTA Board at its meeting of March 2, 2010 to finalize the details of the Medallion sales procedures following discussions with potential lenders scheduled in February, 2010 (such as procedures for default, foreclosure, death, revocation or incompetency, or to record security interests), as well as to establish the composition of the industry group that would monitor the interim Pilot Program.

## **RECOMMENDATION**

Staff recommends that the SFMTA Board adopt the proposed amendments to Transportation Code Division II, Article 1100.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, SFMTA staff has conducted extensive outreach in public meetings and at taxi company facilities on the subject of reform of the San Francisco taxi industry; and,

WHEREAS, Many members of the taxi industry have submitted ideas and comments on the topic of San Francisco taxi industry reform which have been compiled for public review and which were considered by staff in its recommendation that the Board adopt the Taxi Medallion Sales Pilot Program; and,

WHEREAS, The Taxi Medallion Sales Pilot Program represents an interim measure that would allow the San Francisco taxi industry to gradually transition away from the Waiting List system of Medallion distribution that has characterized the San Francisco taxi industry for 32 years; and

WHEREAS, The Taxi Medallion Sales Pilot Program represents an opportunity to collect information, monitor results and elicit industry recommendations for the purpose of adopting a long-term Taxi Medallion reform solution; and

WHEREAS, The Taxi Medallion Sales Pilot Program represents a compromise position between many diverse interests of the San Francisco taxi industry and enjoys consensus support of a broad segment of the San Francisco taxi industry; and

WHEREAS, The Taxi Medallion Sales Pilot Program will enhance public safety by removing the incentive for elderly taxi drivers to continue driving at the risk of losing Medallion income; and

WHEREAS, The Taxi Medallion Sales Pilot Program will generate substantial new revenue for the SFMTA from the proceeds of direct sales of 60 Medallions and Medallion Transfer Fees to be paid by qualified Medallion sellers; and

WHEREAS, Prior to authorizing any Medallion sale, SFMTA staff will return to the Board to inform the Board of the established Medallion Sale Price and to propose additional regulations governing (1) Medallion financing following meetings with potential lenders, and (2) the composition of an industry group to monitor the results of the Pilot Program that will provide recommendations for long-term taxi industry reform; and

WHEREAS, The Taxi Medallion Sales Pilot Program should be implemented in a manner that expedites the offer of Medallions to applicants on the Medallion Waiting List; and

WHEREAS, The transition of functions between the former Taxi Commission and the SFMTA and

the serial process of adopting comprehensive and updated Motor Vehicle for Hire regulations has resulted in a shifting regulatory framework within which staff has had to operate in accordance with its best judgment; now, therefore, be it

RESOLVED, That the Board adopts the Taxi Medallion Sales Pilot Program, allowing the SFMTA to sell up to 60 Taxi Medallions that have been returned to the SFMTA, and allowing Taxi Medallion Holders age 70 and above and other Taxi Medallion Holders who are disabled to sell their Medallions at a price to be established by the SFMTA to qualified taxicab Drivers, as set forth in amendments to Transportation Code Division II, Article 1100; and, be it further

RESOLVED, That no Taxi Medallion shall be purchased sold pursuant to the Taxi Medallion Sales Pilot Program until the Executive Director/CEO adopts a Medallion Sale Price and provides notice to the public of such Medallion Sale Price; and, be it further

RESOLVED, That any Medallion offered to an applicant on the Waiting List after February 16, 2010 shall be counted toward the number of Medallions offered to Waiting List applicants pursuant to the Taxi Medallion Sales Pilot Program; and, be it further

RESOLVED, That the Board ratifies the decision of SFMTA staff to close the Waiting List effective December 16, 2009 and all other actions by SFMTA staff between March 1, 2009 to February 15, 2010 taken for the purpose of implementing Transportation Code, Division II, Article 1100.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

[Taxi Medallion Sales Pilot Program allowing SFMTA to sell up to 60 medallions that have been returned to the SFMTA, and allowing medallion holders age 70 and above and medallion holders who are disabled to sell their medallions, at a price set by the SFMTA, to qualified taxicab drivers.]

**Resolution amending the San Francisco Transportation Code, Division II, Article 1100, by amending Sections 1102, 1103, 1104, 1105, 1108 and 1109 to institute the Taxi Medallion Sales Pilot Program, which would allow the SFMTA to sell up to 60 returned medallions, and allow the sale of medallions held by certain medallion holders, to qualified taxicab drivers at a price determined by the SFMTA.**

NOTE: Additions are single-underline Times New Roman;  
deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 1100 of Division II of the Transportation Code is hereby amended by amending Sections 1102, 1103, 1104, 1105, 1108 and 1109 to read as follows:

**SEC. 1102. DEFINITIONS**

For purposes of this Article the following words and phrases shall have the meanings set forth below:

**(a)** “A-Card” or “Driver Permit” shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi in the City.

**(ab)** “A Card Seniority” shall mean the seniority status of each Driver Permit Holder based on the original issuance date of the Driver Permit, or the issuance date of the most recent Driver Permit if the Driver has been issued a new Driver Permit in accordance with Section 1108(b)(5) after failure to timely renew his or her Driver Permit.

**(bc)** “Administrative Probation” shall mean the status of being substantially out of compliance with this Article according to by a written determination of Administrative Probation issued by the SFMTA.

**(bd)** “Color Scheme” shall mean either the design or trade dress of a vehicle used as a Taxi or Ramp Taxi that is distinct to the fleet of a business that provides taxi service, or a

business that provides taxi service and holds a Color Scheme Permit issued by the SFMTA, including any owner, manager, employee, lessee and any agent of such business.

**(ee)** “**Color Scheme Permit**” shall mean a permit issued by the SFMTA to operate a Color Scheme in the City.

**(ef)** “**Controlled Substance Testing Program**” shall mean a program adopted by the SFMTA Board to comply with California Government Code § 53075.5.

**(eg)** “**Dispatch Service**” shall mean any person, business, firm, partnership, association or corporation which holds itself out to the public as a service by or through which taxis may be summoned or dispatched by radio, telephone, or other means of communication, including any owner, manager, employee, lessee and any agent of said service.

**(eh)** “**Dispatch Service Permit**” shall mean a permit issued by the SFMTA to operate a Dispatch Service in the City.

**(ei)** “**Driver**” shall mean either a person who holds a Driver Permit issued by the SFMTA to operate a Motor Vehicle for Hire or a person engaged in the mechanical operation and having physical charge or custody of a Motor Vehicle for Hire while said Motor Vehicle for Hire is available for hire or is actually hired.

**(ej)** “**Driver Fund Transfer Fee**” shall mean five percent of the fixed price for the sale of a Medallion as determined in accordance with this Article.

**(ek)** “**Driver Permit**” or “**A-Card**” shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi in the City.

**(el)** “**Driver Roster**” shall mean a daily shift schedule listing the shift assignment, Driver’s name, vehicle number and Medallion number, if different, and the hours worked for that shift.

**(em)** “**Filing Fee**” shall mean a fee in an amount established by the SFMTA Board, due upon application for a permit, and including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article or any other regulation adopted by the SFMTA Board.

**(kn)** “**Found Property**” shall mean any personal property found in or about a Motor Vehicle for Hire by a Driver or delivered to a Driver, Color Scheme or Dispatch Service by any person who has found such property.

**(lo)** “**Full-Time Driver**” or “**Full-Time Driving**” shall mean any Driver actually engaged in, or the activity comprised of (respectively) the mechanical operation and physical charge and custody of a Taxi or Ramp Taxi which is available for hire or actually hired for at least 156 four-hour shifts or 800 hours during a calendar year.

**(mp)** “**Gate Fee**” shall mean any monetary fee or other charge or consideration, or any combination thereof, required of a Driver who is not a Taxi or Ramp Taxi Medallion Holder for the privilege of driving a Taxi or Ramp Taxi during a particular shift, or for any period of time, including receipt of all services provided in connection with such privilege, whether said fee is set by contract, lease or other agreement, orally or in writing, and whether said fee is paid by the Driver as a flat rate, as a commission on receipts from fares, or as a specified fee for any other purpose.

**(ng)** “**In-Taxi Equipment**” shall mean hardware and software that enables the real-time processing of paratransit debit card transactions and consisting of, at a minimum, a Taximeter, magnetic swipe reader, user interface (display and function buttons), high speed receipt printer, GPS receiver, cellular modem and antennae (cellular and GPS).

**(or)** “**Key Personnel**” shall mean a Taxi Permit Holder who works in an administrative capacity or performs functions integral to a Color Scheme, who is a bona fide employee on the payroll of the Color Scheme and who works on-site at the Color Scheme’s principal place of business.

**(ps)** “**Lease**” shall mean an otherwise lawful written document, employment contract, or other agreement that for consideration authorizes the temporary operation of a Taxi or Ramp Taxi Medallion by a person or Color Scheme other than the Taxi or Ramp Taxi Medallion Holder.

**(qt)** "Lease Fee" shall mean any monetary fee or other charge or consideration, or any combination thereof, charged by or paid to a Taxi or Ramp Taxi Medallion Holder for the privilege of operating that Medallion during a particular shift, or for any period of time.

**(qu)** "Medallion" shall mean a permit issued by the SFMTA to operate a particular Taxi or Ramp Taxi vehicle in the City.

**(qv)** "Medallion Holder" shall mean the person or entity to whom a Medallion was issued.

**(w)** "Medallion Sale Price" shall mean the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.

**(x)** "Medallion Sale Transfer Fee" shall mean fifteen percent of the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.

**(ty)** "Motor Vehicle for Hire" shall mean every type of privately owned motor vehicle, as defined in the Vehicle Code, which is available for hire and over which the City may exercise jurisdiction, except as otherwise specified in this Article.

**(uz)** "Motor Vehicle for Hire Permit" shall mean a permit issued by the SFMTA for the operation of an identified vehicle for the purpose of transporting passengers for a price, including Taxi and Ramp Taxi Medallions and Non-Standard Vehicle permits, and does not include Dispatch Service, Color Scheme or Driver Permits.

**(vaa)** "Model Year" shall mean the year model designated at the time of manufacture of first assembly as a completed vehicle (e.g. If a vehicle is produced in 2007, but is designated for sale as a 2008 model, then the vehicle is considered a 2008 Model Year.)

**(wbb)** "Non-Standard Vehicle" shall mean a privately owned, motor-propelled passenger carrying vehicle which may be legally operated on the streets of the City under all applicable state and local laws and regulations, and which is not defined elsewhere in this Article.

**(xcc)** "O.E.M." shall mean any equipment installed on a vehicle when the vehicle was initially manufactured.

**(ydd)** “**Paratransit Broker**” shall mean the contractor retained by SFMTA to administer the Paratransit Program.

**(zee)** “**Paratransit Coordinating Council**” shall mean the community advisory committee which advises the SFMTA regarding paratransit services.

**(aaff)** “**Paratransit Program**” shall mean the SFMTA program to provide transit services for people unable to independently use public transit because of a disability or disabling health condition.

**(bbgg)** “**Permit Fee**” shall mean a fee in an amount established by the SFMTA Board, required to be paid by a permit applicant for permit issuance or renewal, including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article and any other regulations adopted by the SFMTA Board.

**(eehh)** “**Permit Holder**” shall mean any person, business, firm, partnership, association or corporation which holds any permit issued by or under the authority of the SFMTA to drive, operate or cause to be operated any Motor Vehicle for Hire or to operate any Dispatch Service or Color Scheme pursuant to this Article, and any agent of such Permit Holder including, but not limited to, any owner, manager, employee or lessee of such Permit Holder.

**(ddii)** “**Police Department**” shall mean the Police Department of the City and County of San Francisco.

**(eejj)** “**Ramp Taxi**” shall mean a Taxi that is specially adapted with access for wheelchair users.

**(ffkk)** “**Ramp Taxi Medallion**” shall mean a permit issued by the SFMTA to operate a particular Taxi vehicle that is specially adapted with access for wheelchair users.

**(ggll)** “**Ramp Taxi Program**” shall mean the SFMTA program that oversees the delivery of transportation services to individuals whose disabilities require the use of vehicles equipped with a ramp.

**(hhmm)** "Rates of Fare" shall mean the fees and charges that are authorized by the SFMTA Board that may be charged to the public by a Permit Holder in consideration for transport by a Motor Vehicle for Hire.

**(iinn)** "Response Time Goals" shall mean the measure of industry performance expressed by the time elapsed between the time a Dispatch Service receives a request for service to the time that a Taxi or Ramp Taxi actually arrives at the location specified by the customer for pick up. The currently applicable Response Time Goals are as follows:

1. 70% of the time, a Taxi or Ramp Taxi will arrive within 10 minutes of the service call.
2. 80% of the time, a Taxi or Ramp Taxi will arrive within 15 minutes of the service call.
3. 99% of the time, a Taxi or Ramp Taxi will arrive within 30 minutes of the service call.

**(jjoo)** "SFMTA" shall mean the San Francisco Municipal Transportation Agency of the City, or any predecessor agency with regulatory jurisdiction over Motor Vehicles for Hire, or its authorized designee.

**(kkpp)** "Taxi" shall mean a vehicle operated pursuant to a Taxi or Ramp Taxi Medallion that is legally authorized to pick up passengers within the City with or without prearrangement, of a distinctive color or colors and which is operated at rates per mile or upon a waiting-time basis, or both, as measured by a Taximeter and which is used for the transportation of passengers for hire over and along the public streets, not over a defined route but, as to the route and destination, in accordance with and under the direction of the passenger or person hiring such vehicle.

**(qq)** "Taxi Medallion Sales Pilot Program" shall mean the program adopted by the SFMTA Board of Directors for the purchase and sale of certain Taxi Medallions at an established Medallion Sale Price to a purchaser who is qualified to hold a Medallion under these regulations.

**(lrr)** "Taximeter" shall mean a device attached to a Motor Vehicle for Hire which mechanically or electronically calculates the fare to be charged to the passenger, either on

the basis of distance traveled or for waiting time, or a combination thereof, and upon which the amount of the fare is indicated by means of numerals in dollars and cents.

~~(mms)~~ **"Vehicle Number"** shall mean the unique identifying number associated with each Taxi or Ramp Taxi vehicle.

~~(mtt)~~ **"Waiting List"** shall mean a list of applicants for Taxi or Ramp Taxi Medallions for whom such Medallions are not yet available, maintained in the order of receipt of complete applications from qualified applicants.

## **SEC. 1103. PERMIT APPLICATIONS**

### **(a) Application Forms**

Application for any permit issued pursuant to this Article shall be made to the SFMTA on a form provided by the SFMTA. The applicant shall provide such information and documents as the SFMTA requires, which may include a physical examination and/or background check of the applicant. The SFMTA shall record the date and time that a complete application, including the Filing Fee, is received, ~~which shall be the date and time assigned to the application for the purpose of placing the applicant on the Waiting List.~~

### **(b) Applications Deemed Active**

Every application for a permit shall be deemed to remain active and shall be considered until the earliest of the following events:

- (1)** The applicant withdraws the application in writing;
- (2)** The applicant is determined to be ineligible for the permit by the SFMTA;
- (3)** The applicant receives a permit;
- (4)** The SFMTA determines that the applicant has engaged in fraud, misrepresentation or other serious misconduct in connection with the permit application process; or

**(5)** The SFMTA attempts to contact the applicant at the mailing address listed on the application on at least two separate occasions and the applicant fails to respond within 30 days of the second notice.

**(c) Additional Requirements Applicable to Driver Permit Applications**

**(1) Application Requirements**

In addition to complying with all applicable requirements of this Section 1103, each applicant for a Driver Permit shall:

- (A)** Provide his or her fingerprints; and
- (B)** Take and pass a written examination; and
- (C)** Take and pass a physical examination if required by the SFMTA; and
- (D)** Certify that the applicant has successfully completed an SFMTA-approved Driver training course; and
- (E)** Enclose two recent photographs of the applicant of passport photo size, taken no more than 12 months prior to the time of application; and
- (F)** Enclose a statement of affiliation signed by the applicant, the Color Scheme and the Dispatch Service associated with the Color Scheme. The applicant's choice of Color Scheme shall be subject to the approval of the SFMTA, which may deny such request if in the SFMTA's judgment the proposed affiliation could be detrimental to the Driver, the Color Scheme or to the public.
- (G)** Reserved: Controlled Substance Testing Program.

**(2) Driver Qualifications**

Each applicant for a Driver's Permit must:

- (A)** Be a resident of the United States;
- (B)** Be clean in dress and person;

(C) Be free of any disease, condition, infirmity, or addiction that might render the applicant unable to safely operate a motor vehicle or that otherwise poses a risk to public health and safety;

(D) Hold a valid California driver's license of a class sufficient for the lawful operation of the motor vehicle to be driven;

(E) Have the physical capacity to operate a motor vehicle for at least four hours per day;

(F) Have no prior convictions of a crime that would, in the judgment of the SFMTA, present a risk to public safety if the permit is granted, including but not limited to convictions involving sexual assault, the use of a vehicle in the commission of a felony, fraud, violence against a person, reckless disregard for public safety, two or more recent convictions of drug-related offenses, or two or more recent convictions of driving under the influence, whether or not such convictions occurred while driving a Motor Vehicle for Hire. The SFMTA may, in its discretion, issue a permit notwithstanding prior convictions if, following review of an individual case, it determines that the applicant or Permit Holder does not pose a current risk to public safety;

(G) Have attained the age of 21;

(H) Speak read and write the English language;

(I) Reserved: Controlled Substance Testing Program.

**(d) Additional Requirements Applicable to Taxi and Ramp Taxi Medallion Applications**

**(1) Waiting List**

In the absence of any other preference specified in this Article, applicants for a Medallion shall be processed and considered by the SFMTA in the order of receipt of the Waiting List application, and then in order of A-Card Seniority. The SFMTA shall maintain a Waiting List of Medallion applications arranged in chronological order by the date that each complete

Medallion application, including Filing Fees, ~~is~~ was received from a qualified applicant. Each applicant for a Taxi or Ramp Taxi Medallion shall have held a valid Driver Permit for a minimum of two consecutive years prior to applying for a Medallion.

**(A)** Every applicant for a Taxi or Ramp Taxi Medallion must continuously maintain a valid Driver Permit in order to maintain his or her position on the Waiting List.

**(B)** The SFMTA may periodically require applicants to execute written statements to reaffirm their desire to keep their applications are active.

**(C)** As of December 16, 2009, the SFMTA shall no longer accept applications for the Waiting List. When there are no more qualified applicants on the Waiting List, the SFMTA shall offer Medallions to Driver Permit Holders who meet all other requirements of this Article in order of A-Card Seniority.

**(e) Additional Requirements Applicable To Ramp Taxi Medallion Applications**

**(1) Limitation on Acceptance of Other Permits**

No person to whom a Ramp Taxi Medallion is issued may accept any other Medallion for a minimum of three years after receipt of the Ramp Taxi Medallion. If a Ramp Taxi Medallion Holder becomes eligible for a Taxi Medallion during his or her first three years as a Ramp Taxi Medallion Holder, and so long as the Ramp Taxi Medallion Holder remains otherwise qualified, the Ramp Taxi Medallion Holder's application shall be kept active and shall be considered for a Taxi Medallion before other qualified applications after the three year period has elapsed.

**(2) Notice of Intent to Leave the Ramp Taxi Program**

**(A)** Upon completion of a minimum of 30 months as a Ramp Taxi Medallion Holder, the Permit Holder may elect to leave the Ramp Taxi program at any time by filing six months' advance written notice of the Permit Holder's intent to leave the program with the SFMTA ("Notice of Intent"). The date that the SFMTA receives the Notice of Intent shall be deemed the date of the Notice.

**(B) Notice of Intent Effective Date; Qualification for New Permit**

The Permit Holder's decision to leave the Ramp Taxi Program shall become effective six months after the Notice of Intent is filed. Except as provided by subsections (C) and (D) below, upon completion of the six month notice period, the Ramp Taxi Medallion shall expire by operation of law, and the Permit Holder shall no longer be precluded from accepting another Motor Vehicle for Hire Permit.

**(C)** If, at the completion of the six-month notice period, the Permit Holder is not yet eligible for a Taxi Medallion, or if no such Taxi Medallion is available, the Permit Holder may elect to remain in the Ramp Taxi program for any period of time until a Taxi Medallion becomes available.

**(D)** The Permit Holder's decision to leave the Ramp Taxi Program shall become inoperative if, prior to expiration of the of the six-month notice period, the Permit Holder files a statement of his or her decision to withdraw the Notice of Intent. The Permit Holder shall be required to file a subsequent Notice of Intent if he or she later decides to leave the Ramp Taxi Program. The same requirements governing the Permit Holder's initial Notice of Intent, including the full six-month notice period, shall apply to any subsequently filed Notice of Intent to leave the Ramp Taxi Program.

**(f) Additional Requirements Applicable to Non-Standard Vehicle Permit Applications**

**(1)** An applicant may request a Non-Standard Vehicle class of permit for any vehicle(s) that is not otherwise included within another class of Motor Vehicle for Hire permits.

**(2)** If a Non-Standard Vehicle permit applicant proposes to operate along fixed routes within the City, such fixed routes shall be specified in the permit application. Fixed routes proposed for a permit must be approved by the SFMTA and shall be included in the Non-Standard Vehicle permit as a permit condition. Consideration of such routes by the SFMTA shall include evaluation of their impact on public transit.

**(g) Additional Requirements Applicable To Dispatch Service Permit Applications**

**(1) Submission of Emergency Plans**

Applicants for Dispatch Service Permits or permit renewal shall submit a "Standard Emergency Plan for Drivers and Dispatchers" to follow in an emergency. Such plan is subject to SFMTA approval. SFMTA may require revisions to such Emergency Plan in order to coordinate with the emergency plans of the City, other Permit Holders and the Paratransit Program. Such plan shall include emergency communication protocols between Dispatch Services and their Color Scheme affiliates and the emergency evacuation of the public from the City, including but not limited to paratransit customers.

**(2) Lost and Found Protocol Compliance**

No application for a Dispatch Service Permit shall be approved or renewed if a Dispatch Service Permit applicant cannot demonstrate knowledge of and ability to adhere to SFMTA's protocol for the handling of Found Property.

**(h) Additional Requirements Applicable To Color Scheme Permit Applications**

Reserved.

**SEC. 1104. ELIGIBILITY**

**(a) Determination of Eligibility**

Each application shall be investigated by the SFMTA to determine the applicant's eligibility pursuant to the factors listed herein. The SFMTA, in determining whether the permit should be granted, may consider such facts as it deems pertinent, but shall at least consider the following factors:

**(1)** The applicant's financial responsibility and ability to comply with all insurance requirements and to maintain proper financial records.

**(2)** The applicant's compliance with all applicable statutes, ordinances and regulations. If, during the 12 months prior to application, an applicant has violated any statute, ordinance or regulation which would be a basis for revocation of the permit, the SFMTA may, in its discretion, refuse to issue the permit.

**(3)** The record of the applicant with regard to any other permits issued for the commercial operation of a motor vehicle for the transport of passengers, either in the City or elsewhere.

**(4)** Any prior convictions of a crime that would, in the judgment of the SFMTA, present a risk to public safety if a permit is granted or renewed, including but not limited to convictions involving sexual assault, the use of a vehicle in the commission of a felony, fraud, violence against a person, reckless disregard for public safety, or two or more recent convictions of driving under the influence, whether or not such convictions occurred while driving a Motor Vehicle for Hire. The SFMTA may, in its discretion, issue a permit notwithstanding prior convictions if, following review of an individual case, it determines that the applicant or Permit Holder does not pose a current risk to public safety.

**(b) Burden of Proof on Applicant**

A permit applicant shall have the burden of proving that the applicant meets all requirements for a permit.

**(c) Eligibility for a Medallion**

**(1)** Applicants for a Taxi or Ramp Taxi Medallion must meet the eligibility requirements listed in Section 1103(c)(2)(A) through 1103(c)(2)(H) and be in compliance with any Controlled Substance Testing Program adopted by the SFMTA Board.

**(2)** Each applicant for a Taxi or Ramp Taxi Medallion shall submit all completed application materials, including Waybills and forms, and take any written, oral or practical examination required by the SFMTA within 45 calendar days of the date of the notice informing the applicant of the availability of a Medallion.

**(3)** Before issuing a Taxi or Ramp Medallion, in addition to all other eligibility requirements, the SFMTA must determine that the applicant has been a Full-Time Driver during any four of the five calendar years immediately preceding the calendar year in which the hearing is held. The driving requirement for the year in which the application is heard may be pro-rated from the date of application. This requirement may only be satisfied by driving a Taxi or Ramp Taxi for which a permit has been issued by the SFMTA. Only written

Waybills completed in compliance with Section 1109(c)(5) may be used to establish eligibility for a Medallion for the purposes of this Section.

**(4)** No applicant for a Taxi or Ramp Taxi Medallion shall be eligible to receive a Medallion if he or she holds a Medallion as an individual or if he or she is a shareholder in a corporation that holds one or more Medallions.

**(d) Eligibility for a Ramp Medallion**

The SFMTA shall not issue a Ramp Taxi Medallion to an applicant unless the applicant provides written documentation of the following requirements:

**(1)** The applicant has been a Full-Time Driver of a Ramp Taxi during the 12 months immediately preceding the applicant's submittal of completed application materials pursuant to Section 1104(c)(2).

**(2)** The applicant has completed at least 156 wheelchair pickups in the City as a Ramp Taxi Driver during the 12 months immediately preceding the permit hearing.

**(3)** The applicant has satisfactorily completed training for operation of a Ramp Taxi in compliance with SFMTA requirements.

**(4)** The applicant has been interviewed through a process approved by the Paratransit Coordinating Council.

**(5)** SFMTA certification of satisfactory aptitude and attitude necessary for a Ramp Taxi Medallion Holder.

**(6)** The applicant is affiliated with a Color Scheme in compliance with, and agrees to operate said permit at all times subject to, the regulations of the SFMTA's Paratransit Program.

**SEC. 1105. GENERAL PERMIT CONDITIONS**

**(a) Conditions Applicable to All Permits**

**(1)** Permits Required

No person, business, firm, partnership, association or corporation shall drive, or operate or cause to be operated any Motor Vehicle For Hire within the City, nor shall any person, business, firm, partnership, association or corporation operate any Dispatch Service or Color Scheme, without a permit issued by the SFMTA authorizing such driving or operation in accordance with this Article.

**(2) Permits Held By Businesses; Taxi Medallions Held by Individuals**

**(A)** Any permit issued to a business pursuant to this Article shall be registered in the name of and with contact information for at least one natural person who complies with all permit requirements except those that by their nature can have no application to a natural person.

**(B)** No Taxi or Ramp Taxi Medallion shall be issued except to a natural person and in no case to any business, firm, partnership, association or corporation, and no Medallion shall be issued to, or in the name of, more than one person.

**(3) Permits a Privilege**

Permits granted pursuant to this Article constitute a privilege and are not the property of the Permit Holder. Permits are at all times subject to the requirements of this Article, the San Francisco Charter and Municipal Code, the laws of the State of California and the regulations adopted by the Oakland and San Francisco International Airports.

**(4) Permits Not Transferable**

Except as expressly provided in this Article or in permit conditions, no permit issued pursuant to this Article shall be transferable or assignable, either expressly or by operation of law.

**(5) Duration of Permits**

**(A)** Unless earlier revoked or suspended, Taxi and Ramp Taxi Medallions shall expire on the first day of July next following their issuance or renewal, and all other permits shall expire the first day of January next following their issuance or renewal.

**(B)** As a condition of renewal, a Permit Holder must meet the eligibility requirements required for new applicants listed in Section 1104, and may be required to sign a statement under penalty of perjury affirming eligibility for the permit.

**(6) Compliance with Laws and Regulations**

Every Permit Holder shall comply with, and shall ensure that their affiliated vehicles, employees, Permit Holders, lessees, Dispatch Service and Color Scheme shall comply with the provisions of this Article, the San Francisco Charter and Municipal Code, the California Vehicle Code, California Worker's Compensation laws, the Americans with Disabilities Act, and all regulations adopted by the Oakland and San Francisco International Airports, San Francisco Department of Public Health, and any other governmental jurisdictions through which the Permit Holders traverse.

**(7) Cooperation with Lawful Orders**

Every Permit Holder shall cooperate with and obey any lawful request or order of a Parking Control Officer, peace officer or the Director at all times, including, but not limited to, providing upon request the Permit Holder's name, the permit number, official identification, and any documents required by this Article to be in the Permit Holder's possession. All Permit Holders shall respond to routine SFMTA or Police Department inquiries within 24 hours, and shall immediately respond to any SFMTA or Police Department emergency request.

**(8) Cooperation with Regulatory Agencies; False Statements**

Every Permit Holder shall at all times, fully cooperate with a Parking Control Officer, peace officer or the Director on all matters relating to regulatory compliance at all times, including but not limited to compliance with requests for the inspection of records. Permit Holders shall not hinder, delay or knowingly make false or misleading statements to a peace officer or to the SFMTA or withhold information on any matter relating to regulatory compliance.

**(9) Continuous Operation Requirement; Temporary Suspension; Revocation**

**(A)** With the exception of Non-Standard Vehicle Permit Holders and Medallion Holders who obtained their Medallion prior to June 6, 1978, all Permit

Holders shall operate or arrange for the operation of their permit on each day of the year, or other dates or times during which the permit conditions require operation of the permit. Non-Standard Vehicle Permit operation shall be in accordance with the times and dates of required operation specified in the permit.

**(B)** Permit Holders may temporarily suspend permit operations only with the prior written approval of the SFMTA. SFMTA approval is not required in the case of bona fide emergencies, natural disasters or other similar major events beyond the control of the Permit Holder.

**(C)** Upon written request the SFMTA may grant permission to suspend a permit for good cause shown for a period not to exceed 90 days in a 12 month period. The SFMTA may, in its sole and absolute discretion, allow another Permit Holder to operate the permit during the period of temporary suspension if the other Permit Holder is qualified and such operation would be in the public interest. This subparagraph (C) does not suspend the application of the Full-Time Driving requirement.

**(D)** If a permit is not operated for a period of 15 calendar days in violation of applicable permit conditions, the SFMTA shall notify the Permit Holder that the permit will be revoked if operation of the permit is not resumed within five calendar days of the notice. If permit operation is not resumed within five days of the notice, as determined by the Permit Holder's substantial compliance with all permit conditions, then SFMTA may immediately revoke the permit.

**(E)** This subsection (9)(E) does not apply to Driver Permits.

**(10) Gifts and Gratuities**

No Permit Holder or agent of a Permit Holder may accept or solicit gifts and/or gratuities or anything of value from any Driver, other than Gate Fees, Lease Fees, payments for goods actually received, or other payments authorized by this Article. A Permit Holder or agent of a Permit Holder shall issue a receipt for any payment received from a Driver.

**(11) Lease of Taxi and Ramp Taxi Medallions**

Reserved.

**(12) Participation in Paratransit Program**

Each Color Scheme, Dispatch Service, Medallion Holder and Driver meeting the qualifications established by the SFMTA must participate in and shall at all times operate subject to and in compliance with the regulations of the SFMTA's Paratransit Program.

**(13) Shift Change at Color Scheme Required for All Vehicles; Unattended Vehicles**

All Permit Holders shall ensure that taxi vehicles which they operate begin and end all shifts at the Color Scheme's place of business, except with the prior written approval of the SFMTA. When a vehicle is not being operated for hire, the Permit Holder shall either leave the vehicle at the Color Scheme's place of business or make a written request for SFMTA approval of an alternative location that is off the public street and sidewalk. No Taxi vehicle may be left unattended on a public street for more than four hours.

**(14) Current Address Required; Emergency Contact Notification**

All Permit Holders shall keep contact information current with the SFMTA. All Medallion Holders and Drivers shall keep contact information current with their Color Schemes. Every natural person who holds a permit from the SFMTA pursuant to this Article shall give written notice to the SFMTA within ten days of any change of residence address, and shall accept mail at the address provided to the SFMTA. Color Scheme and Dispatch Service changes of address are subject to the prior written approval of the SFMTA. No Permit Holder may use a post office box as a current address.

**(15) Service of Process**

All Permit Holders agree to accept service of process, official notices, and correspondence ("service of process") from the SFMTA as a condition of retaining a permit. Color Schemes must accept service of process from the SFMTA on behalf of any Permit Holder affiliated with that Color Scheme.

**(16) Payments Due**

No permit shall be issued or renewed until the applicant has paid all fines, fees, taxes, liens, judgments or other debts owing to the City.

**(17) Response Time Goals**

All Permit Holders shall make best efforts to comply with Response Time Goals at all times.

**SEC. 1108. CONDITIONS APPLICABLE TO DRIVER PERMITS**

**(a) Driver Identification**

Upon issuance of a Driver Permit, the SFMTA will issue to each Driver the following identification:

**(1) Driver Permit Card (A-Card)**

Every Driver shall carry his or her A-Card at all times while operating a Motor Vehicle for Hire, and shall provide the A-Card for inspection upon request by the SFMTA or any peace officer or passenger.

**(2) Badge with the Permit Number**

Every Driver shall display a SFMTA-issued badge constantly and conspicuously displayed on the outside of the Driver's clothing and jacket at all times while operating or in possession of a Motor Vehicle for Hire. The badge shall only be worn by the Permit Holder to whom the badge is issued.

**(3) Color Scheme Identification Card**

A Driver's Color Scheme Identification Card must be displayed conspicuously at all times in any Motor Vehicle for Hire that the Driver is operating in a manner that the badge number printed on the card is easily visible to any passenger in the vehicle.

**(b) Renewal of Driver's Permits**

**(1)** Driver Permits shall be issued as of the first day of January of each year and shall be valid unless revoked or suspended, up to and including the 31st day of December, next succeeding. The SFMTA may cause the renewal of the Driver's Permit from year to

year upon the filing of a statement by the Driver Permit Holder providing his or her current address and current employer and the payment of the annual permit renewal fee.

**(2)** Controlled Substance Testing Program: Reserved.

**(3)** Drivers have an affirmative duty to report any criminal convictions which would be a basis for denying a permit pursuant to Section 1103(c)(2)(F). The SFMTA may refuse to renew a permit if the Permit Holder would not be eligible to receive a new permit pursuant to Section 1103(c)(2)(F).

**(4)** Controlled Substances

**(A)** No Driver may operate a Motor Vehicle for Hire while his or her driving ability is impaired by any controlled substance, as defined in 21 CFR 1308.01 et seq. including prescription drugs. No Driver may consume or be under the influence of any intoxicating substance while operating a Motor Vehicle for Hire.

**(B)** Drivers shall maintain a drug and alcohol-free workplace and shall not sell, use, or possess alcohol or controlled substances, as defined in 21 CFR 1308.01 et seq., while operating a Motor Vehicle for Hire or at the Color Scheme's place of business.

**(5)** Lapse of Active Permit Status; New Application; A-Card Seniority

A Driver Permit Holder who fails to renew his or her Driver Permit within the deadline for renewal set by the SFMTA may renew his or her Driver Permit upon submission of a new Driver Permit application and completion of all requirements for a new Driver Permit. If the Driver Permit Holder submits the new Driver Permit application and completes the requirements within two years of the renewal deadline, he or she shall retain A-Card Seniority based on the original issuance date of the Driver Permit. A Driver Permit Holder who fails to renew by the renewal deadline and fails to submit a new Driver Permit application and complete the requirements within two calendar years after the renewal deadline may likewise apply for a new Driver Permit, but he or she shall have an A-Card Seniority date as of the date of the most recent Driver Permit.

**(c) Notification to SFMTA of Change of Affiliation with Color Scheme**

**(1)** All Drivers must notify the SFMTA at least three business days prior to the effective date of any change of affiliation with a Color Scheme. No Driver may affiliate with a Color Scheme that is on administrative probation pursuant to Section 1118(g).

**(2)** In accordance with California Government Code Section 53075.5(b)(1)(B), a Driver's Permit shall be suspended for any period during which the Driver is not affiliated with a Color Scheme.

**(3)** A Driver shall return his or her Color Scheme Identification Card to the Color Scheme 30 calendar days after terminating affiliation with the Color Scheme, and shall return his or her A-Card to the SFMTA 30 calendar days after terminating affiliation with the Color Scheme if by that date the Driver has not yet affiliated with a new Color Scheme.

**(d) Driver Duties at Beginning of Shift**

**(1)** A Driver is required to perform a safety check on a Motor Vehicle for Hire prior to placing it in operation. The Driver is responsible for ensuring that all equipment on the vehicle that is required by this Article is working properly, including but not limited to a Ramp Taxi ramp and securement system. If the Driver finds any unsafe equipment, then the Driver shall notify the Color Scheme, and the Color Scheme shall put the vehicle out of service until it is repaired and shall make another vehicle available to the Driver.

**(2)** A Driver is required to perform a communications test at the commencement of each shift to determine that there is functional communications equipment capable of both receiving and transmitting voice information. If communications equipment is not functional, that vehicle shall be taken out of service until such time as the communications equipment is functional.

**(3)** A Driver is responsible for ensuring that their vehicle is supplied with the following items:

**(A)** 311 card;

**(B)** Current copy of book of regulations issued by SFMTA;

(C) A supply of receipts, preprinted with the name of the affiliated Color Scheme; and

(D) Current maps of San Francisco and San Mateo counties or a functional GPS device;

(E) Working flashlight;

(F) Working ballpoint pen with black or blue ink;

(G) SF Paratransit manual trip ticket forms;

(H) Manual credit card transaction device and forms.

(4) A Driver shall ensure that the vehicle is clean inside and out and free of offensive odors, wash the exterior of the vehicle and/or sweep the interior passenger compartment and trunk as needed, and remove any loose items from the vehicle's dashboard and/or rear shelf.

**(e) Driver Duties During Shift**

(1) A Driver shall not refuse, or direct or permit the refusal, of prospective passengers in any place within the City for transportation to any other place in the City, or to or from the San Francisco International Airport, or to the Oakland International Airport, or paratransit passengers within the Paratransit Program service area, at rates authorized by law, if the prospective passengers present themselves for transportation in a clean, coherent, safe and orderly manner and for a lawful purpose and the Driver has sufficient time before the end of his or her shift.

(2) A Driver shall not refuse to transport a passenger's luggage, wheelchair or other mobility device, crutches or other property that can be transported within the confines of the vehicle's trunk and/or passenger areas. A Driver may refuse to convey a passenger who requests taxi service for the primary purpose of transporting goods or cargo if in the Driver's judgment the amount of goods to be carried could result in unsafe driving or damage to the vehicle.

**(3)** No Driver may refuse to transport a person with a physical disability in the front seat to accommodate the person's physical disability.

**(4)** A Driver shall not refuse to transport any service animal, or a secured, well-behaved and/or contained animal except when the Driver has documentation from a licensed physician of a medical condition that prevents contact with that type of animal on file with the SFMTA.

**(5)** A Driver shall, if requested, take reasonable measures to assist a passenger as necessary to get into and out of the vehicle, or to load or unload luggage, only to the extent that such assistance is within the physical capacity of the Driver. The Driver shall record the request for assistance and results on the Waybill. If the Driver feels that their personal health or safety is at risk or is otherwise unable to assist the passenger, the Driver shall request appropriate assistance capable of handling the request from the Dispatch Service. A Driver shall inform the passenger(s) of his or her intention to activate the Taximeter when said passenger(s) has such a large amount of baggage, luggage, packages and/or equipment to be loaded or unloaded that the Driver's departure is delayed, or when it is necessary to wait for dispatched assistance to arrive.

**(6)** Every Driver shall, if requested, assist a person with physical disabilities or an elderly person to get into and out of the vehicle and ensure the passenger is properly secured in the vehicle prior to transport. If a Driver is unable to properly assist and/or secure the passenger, the Driver shall notify the Dispatch Service and request another Driver's assistance or other appropriate service capable of handling the request. The Driver shall record the request and results on the Waybill. The Driver shall remain with the passenger until assistance from another Driver or appropriate service has arrived.

**(7)** Every Driver must accept dispatch assignments, including, when available, an average minimum of one dispatch call per hour during each shift from their Dispatch Service. Drivers must advise their Dispatch Service if they are unable to handle an accepted call within five minutes of the time when they acknowledged or accepted the call.

**(8)** A passenger who first engages a Motor Vehicle for Hire has the exclusive right to conveyance therein to his or her destination. The Driver shall not solicit or accept any

additional passenger without the prior consent of any passenger who has previously engaged the vehicle, or as authorized by SFMTA.

**(9)** Except as prohibited by the rules of the Paratransit Program, A a Driver may transport two or more passengers who voluntarily agree to split the fare between them. The passengers may by mutual agreement split the fare according to any formula; however, regardless of any mutual agreement of the passengers, the Driver shall not collect from all combined passenger payments in any amount in excess of the fare shown on the Taximeter at the time that the last passenger reaches their destination.

**(10)** Drivers shall comply with any passenger request to turn down, turn off or change the channel of any audible device that is not required for safe operation of the vehicle or communication with a Color Scheme, Dispatch Service, law enforcement agency, health care provider, or other emergency service agency. A Driver is not required to comply with a passenger request for any particular broadcast station or other passenger listening preferences.

**(11)** Except for emergencies, including but not limited to an emergency call to a Dispatch Service, a law enforcement agency, health care provider, or other emergency service agency, Drivers shall immediately comply with any passenger request to terminate mobile telephone conversations.

**(12)** Drivers may only use personal telephones for voice or any other type of communication in the vehicle in accordance with all applicable laws. While a passenger is in the vehicle, Drivers' personal conversations must be limited in number and short in duration, and at no time shall a Driver allow a personal communication to interfere with the Driver's full attention to the operation of the vehicle.

**(13)** During a shift a Driver may not monitor or listen to any Dispatch Service other than the Dispatch Service that provides service to the Color Scheme with which the vehicle is affiliated.

**(14)** A Driver shall not operate a Motor Vehicle for Hire in a reckless or dangerous manner.

**(15) Ramp Taxi Service**

**(A)** Every Ramp Taxi Driver must log on the In-Taxi Equipment at the beginning of the shift.

**(B)** Every Ramp Taxi Driver shall meet an average response time to any request for service by a customer using a wheelchair of 20 minutes from the time that the Driver accepts the call.

**(C)** A Ramp Taxi Driver, once dispatched to a call from a customer using a wheelchair may not accept any other fare while en route to that dispatched call except as otherwise instructed by the dispatcher.

**(D)** If available from their Dispatch Service, every Ramp Taxi Driver shall handle an average of three wheelchair service calls per shift.

**(16)** Drivers shall only receive a tip when expressly and voluntarily offered by the person paying the fare. Drivers may not demand, request, imply, assume or otherwise suggest that the Driver should receive any amount in excess of the authorized fare. A Driver may, without demanding or assuming that the passenger will pay a tip, ask the passenger whether they would like to tip the Driver when the tip is only capable of being added to a payment only by action of the Driver.

**(17)** The Driver must keep any audio communication device required by this Article at an audible volume, or any visual communication device visible to the Driver at all times during the shift.

**(18)** Drivers shall, at the beginning of a trip, inform any passenger whose destination is more than 15 miles from City limits, or if the passenger is picked up at the San Francisco International Airport, whose announced destination is more than 15 miles from the San Francisco International Airport and is not within the City limits, that the fare to be charged will be 150% of the amount registered on the Taximeter in accordance with Section 1122(b)(2) .

**(19)** Drivers shall carry sufficient cash to be able to provide change for 20 dollars.

(20) Drivers shall, at the beginning of a trip, inform passenger(s) whose destination requires the crossing of a toll bridge, the amount of the toll charged and that the toll charge is to be paid by the passenger(s) regardless of the direction in which the toll is collected.

(21) Drivers may charge a passenger less than the fare shown on the Taximeter at the end of a trip.

(22) Drivers shall give a fare receipt upon request of the person paying the fare. Drivers shall complete fare receipts legibly with the Driver's badge number, the Vehicle Number, the Medallion number, and the amount of the fare.

(23) Drivers shall make a visual check of the interior of the vehicle at the conclusion of each trip to determine if any property has been left behind. If any of the passenger's property was loaded in the trunk, the Driver shall check the trunk area at the end of the trip to ensure that no property was left behind.

(24) Upon discovery, a Driver shall report the Found Property to the Dispatch Service immediately, and shall take reasonable measures to attempt to return Found Property in the vehicle to the rightful owner during the shift in which it was discovered. If it is not possible to return the Found Property before the end of the shift, the Driver shall leave it with the Color Scheme or Dispatch Service at the end of the shift. Drivers shall record a description of the Found Property on a form provided by the Color Scheme or Dispatch Service, stating whom they have contacted about the Found Property, and whether it was returned to the owner during the shift in which it was discovered, and if not, where and with whom it was left.

(25) If during the course of the work shift, any equipment failure makes the continued operation of the Taxi or Ramp Taxi unsafe, including but not limited to a Ramp Taxi without the required number of functional tie-down securements and lap/shoulder seat belts, then the Driver shall immediately return to vehicle to the Color Scheme to be taken out of service.

(26) The Driver shall not place or allow to be placed any loose items on the dashboard or rear shelf of the vehicle.

(27) The Driver shall keep the vehicle trunk and/or baggage area clean, free of items or materials that could damage or stain passengers' baggage, and free of any container containing flammable liquids.

(28) No Driver shall leave a vehicle unattended on a public street for more than 4 hours.

(29) No Driver shall threaten, harass, or abuse another person, nor may a Driver speak in an obscene, threatening or abusive manner.

(30) Drivers shall not use or attempt to use any physical force against any person except proportional, reasonable force necessary for self-defense or defense of another.

(31) Drivers shall be clean in dress and person.

(32) Any Driver who is pulled over by a peace officer while the Taximeter is in operation must turn off the Taximeter from the time the vehicle is pulled over until the time that the peace officer authorizes the vehicle to depart.

(33) No Driver shall burn any substance, drink, or eat while a passenger is in the vehicle.

(34) Resolution of Fare Disputes

In any case of fare dispute between the Driver and passenger(s), the Driver shall call the police or, with the consent of the passenger, convey the passenger(s) to the nearest police station, where the officer in charge shall immediately decide the case, and if the decision is in favor of the passenger, the driver shall convey the passenger from the police station to his or her original destination without additional charge.

**(f) Duties at End of Shift**

(1) Drivers shall turn in all completed Waybills to the Color Scheme at the conclusion of each shift.

(2) The Driver shall remove any litter, personal items, and any other loose items that do not belong with the vehicle.

**(3)** Drivers shall turn any unreturned or unclaimed Found Property in the Driver's possession at the end of a shift to the Color Scheme's or Dispatch Services' place of business, and shall obtain a receipt for the item regardless of value.

**(g)** A Driver must return his or her A-Card to the SFMTA within 30 calendar days of terminating his or her affiliation with a Color Scheme if the Driver does not affiliate with another Color Scheme within 30 calendar days. If the Driver will discontinue driving for a period of time in excess of 30 consecutive days but intends to resume driving a Motor Vehicle for Hire in the future, the SFMTA shall hold the A-Card on file until the Driver informs the SFMTA of his or her intention to resume driving. Upon receiving such notice, the SFMTA shall return the A-Card to the Driver so long as all Filing Fees and Permit Fees are paid and the Driver remains qualified for the permit.

**(h) Controlled Substance Testing Program**

Reserved.

**SEC. 1109. CONDITIONS APPLICABLE TO TAXI AND RAMP TAXI MEDALLIONS**

**(a) Affiliation With Color Scheme Required; Color Scheme Change**

**(1)** A Medallion Holder shall be deemed affiliated with a particular Color Scheme when the SFMTA approves his or her application pursuant to this Article, and shall entitle the Medallion Holder to the right to the use of that Color Scheme's trade dress and place of business. Color Schemes shall not unreasonably withhold the use of the trade dress and place of business once affiliation has been approved.

**(2)** Affiliation with a Color Scheme and/or the failure of a Color Scheme to comply with this Article does not relieve the Medallion Holder of his or her responsibility to comply with all requirements of this Article applicable to the Medallion Holder.

**(3)** A Medallion Holder may apply to the SFMTA for a change in affiliation. The applicant's choice of Color Scheme shall be subject to the prior approval of the SFMTA. A Medallion Holder's request for affiliation with a Color Scheme shall be approved unless the Color Scheme is on Administrative Probation pursuant to Section 1118(g). The SFMTA may delay or deny a change in Color Scheme affiliation by a Medallion Holder if a court of

competent jurisdiction issues a temporary or permanent order to prohibit or delay the transfer.

**(b) Use of Dispatch Service**

All Medallion Holders affiliated with a Color Scheme must utilize the same Dispatch Service.

**(c) Full-Time Driving Requirement**

**(1)** Every Medallion Holder subject to the provisions of this section 1109(c) shall be a Full-Time Driver.

**(2) Exception for Certain Permits**

Notwithstanding any contrary provision in this Article, the requirements set forth in this Subsection 1109(c) shall not apply to any person holding a Medallion issued on or before June 6, 1978.

**(3) Declaration Required**

No permit to operate a Taxi or Ramp Taxi shall be granted unless the Medallion Holder shall declare under penalty of perjury his or her intention actively and personally to engage as a Full-Time Driver.

**(4) Qualifying Vehicle**

All Medallion Holders must drive the Taxi or Ramp Taxi associated with their Medallion when complying with Subsection 1109(c) unless that vehicle is unavailable.

**(5) Medallion Holders Responsible for Documenting Compliance**

A Medallion Holder has the responsibility to maintain his or her own business records, including Waybills. Only written Waybills completed in compliance with all requirements may be used to meet the Full-Time Driving requirement. Failure of a Color Scheme to maintain business records, including Waybills, as required by this Article shall not excuse a Medallion Holder from proving that he or she has satisfied this Subsection 1109(c) or any other requirement.

**(6) Partial Years**

During the year that a Medallion is first issued or any year in which operation of the Medallion was temporarily suspended with the approval of the SFMTA in accordance with Section 1105(9), the number of driving hours required to meet the Full-Time Driving Requirement shall be reduced by the same proportion as the ratio of the Permit Holder's excused driving hours to the hours remaining in the calendar year.

**(7) Exception for Color Scheme Key Personnel**

**(A) Alternative Driving Requirement**

Medallion Holders who are designated as "Key Personnel" by a Color Scheme may satisfy the Full-Time Driving requirement by driving 120 hours per year and performing 1,500 hours of work per year as Key Personnel for the Color Scheme.

**(B) Written Designation of Key Personnel**

Each Color Scheme seeking to designate one or more of its employees for a calendar year pursuant to this Subsection 1109(c)(7) must file a written designation by December 1st of the preceding year. A Permit Holder may not be designated as Key Personnel by more than one Color Scheme during a calendar year. The SFMTA will only recognize as Key Personnel only those Medallion Holders named in a completed designation form filed by the Color Scheme as of December 1st.

**(C) Number of Key Personnel Designated at a Color Scheme**

Each Color Scheme will be entitled to designate Key Personnel in accordance with the number of Medallions affiliated with that Color Scheme. The number of Medallions affiliated with a particular Color Scheme for a calendar year shall be determined as of December 1st of the previous year, based on the records of the SFMTA. Only individuals already holding a Medallion by December 1 of that year may be considered for Key Personnel designation. The number of designated Key Personnel at a Color Scheme may not be increased or decreased during the subsequent calendar year even if the number of Medallions affiliated with that Color Scheme changes during the year.

A Color Scheme with 1 to 10 Medallions may not designate anyone as Key Personnel.

A Color Scheme with 11 to 20 Medallions may designate one person.

A Color Scheme with 21 to 40 Medallions may designate two people.

A Color Scheme with 41 to 60 Medallions may designate three people.

A Color Scheme with 61 to 80 Medallions may designate four people.

A Color Scheme with 81 to 100 Medallions may designate five people.

A Color Scheme with 101 to 150 Medallions may designate six people.

A Color Scheme with 151 to 200 Medallions may designate seven people.

A Color Scheme with 201 to 300 Medallions may designate eight people.

A Color Scheme with 301 to 400 Medallions may designate nine people.

A Color Scheme with over 400 Medallions may designate nine people, plus one additional person for every 100 Medallions over 400.

**(D)** Statement of Work by Key Personnel

No later than February 1st of each year, each Color Scheme that has designated one or more employees as Key Personnel must submit a written Statement of Work on a form provided by SFMTA, demonstrating the number of hours during the previous calendar year that each of its designated Key Personnel worked on tasks related to the business of the Color Scheme, including but not limited to, office duties, dispatching, cashiering, or performing management duties. The Statement of Work shall be signed under penalty of perjury by both the Color Scheme and the Medallion Holder designated as Key Personnel. The Color Scheme shall be responsible for submitting proof of employment with the Statement of Work, which shall consist of state or federal tax forms filed with the appropriate regulatory agency. A Medallion Holder and/or Color Scheme that submit a falsely sworn Statement of Work shall be subject to automatic revocation of his or her Permit.

**(E)** Partial Completion of Requirements

If a Medallion Holder performs at least 750 hours of work as designated Key Personnel for the a Color Scheme during the year but less than 1,500 hours, the Permit Holder shall be entitled to partial credit against the Full-Time Driving requirement on a pro rata basis. The credit shall correspond to the percentage of 1,500 hours that the designated Permit Holder worked for the company in such capacity. If a Permit Holder does not perform at least 750 hours of work as designated personnel for the Color Scheme during the year, the Permit Holder shall not be entitled to any credit against the Full-Time Driving requirement.

**(F) Ramped Taxi Permit Holders Ineligible**

Ramped Taxi Permit Holders are not eligible to be designated as Key Personnel.

**(d) Corporate Medallion Holders**

**(1) Permits Void in Event of Transfer or Sale of Permit Holder**

Any Medallion held by a Permit Holder that is not a natural person shall be deemed null and void and revoked if any of the following circumstances has occurred since the issuance of the Medallion:

**(A)** If the Medallion Holder is or was sold or transferred at any time after June 6, 1978. For the purposes of this Section, a sale or transfer occurs upon a cumulative sale or transfer of either 10 percent or more of the stock or other ownership of the Medallion Holder, or 10 percent of the Permit Holder's assets since June 6, 1978, unless such sale or transfer has the prior written approval of the SFMTA.

**(B)** If the management or control of the Permit Holder is or has been transferred for consideration since the issuance of the permit;

**(C)** If the Medallion Holder's rights to receive income derived from the lease of a permit is assigned, transferred or sold.

**(e) Taxi Medallion Sales Pilot Program**

**(1) Qualified Taxi Medallion Sellers**

Any Medallion held by a natural person who: (1) has attained or will attain the age of 70 years old or older as of December 31, 2010; or (2) has a bona fide disability that permanently prevents him or her from satisfying the Full-Time Driving requirement, and has notified the SFMTA of that disability by completing the prescribed application and providing the prescribed documentation on or before December 31, 2010, is eligible for sale in accordance with this subsection (e).

**(2) Qualified Taxi Medallion Buyers**

The SFMTA shall authorize Medallion sales under the Pilot Program only to Driver Permit Holders who meet all eligibility requirements for Medallion ownership in Sections 1103 and 1104 of this Article. The SFMTA shall make offers of sale to such qualified Driver Permit Holders in the order of seniority on the Waiting List, and then in the order of A-Card Seniority.

**(3) Fixed Medallion Sale Price**

Any Medallion sold pursuant to this subsection (e) shall be sold at a price established by the SFMTA. The initial Medallion Sale Price shall be established by the Director of Transportation after a public hearing and shall not exceed \$400,000. In setting the initial Medallion Sale Price, the Director of Transportation shall consider the commercial loan terms available to Medallion applicants, the affordability of the monthly payments under such loans, the anticipated business revenue to be generated from a Medallion, and other factors relevant to the economic dimensions of the sale. Upon setting the initial Medallion Sale Price, the Director of Transportation shall notify the SFMTA Board and the public of the Sale Price. The Director of Transportation shall adjust the Medallion Sale Price annually in accordance with the percentage increase in the Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area over the preceding year. The Director of Transportation may increase or decrease the Medallion Sale Price at any time in accordance with the procedure for setting the initial Medallion Sale Price.

**(4) Medallion Transfer Fees**

The seller of a Medallion shall pay to the SFMTA the Medallion Sale Transfer Fee and the Driver Fund Transfer Fee. The SFMTA shall deposit the Driver Fund Transfer Fee into the Driver Fund.

**(5) Medallion Sales by City**

The SFMTA may sell up to 60 Medallions that have been returned to the SFMTA for any reason to qualified Driver Permit Holders at the Medallion Sale Price as part of the Taxi Medallion Sales Pilot Program. The SFMTA shall be responsible for payment of the Driver Fund Transfer Fee for each such Medallion sold. The SFMTA shall continue to issue Medallions to applicants in accordance with Sections 1103 and 1104 of this Article during the pendency of the Taxi Medallion Sales Pilot Program.

**(6) Taxi Medallion Purchase and Sale Procedures**

Medallions shall be purchased and sold under the Pilot Program in accordance with procedures adopted by the SFMTA.

**(7) Purchased Medallions Subject to all Regulations**

A Medallion acquired pursuant to this subsection (e) remains subject to all applicable laws and regulations and may be suspended or revoked for cause.

**(8) Resale of Medallions**

Medallions acquired pursuant to this subsection (e) are eligible for resale by the purchaser in accordance with the provisions of this subsection (e).

**(9) Ramp Taxi Medallions**

If any Ramp Taxi Medallion Holder who would qualify to sell a Medallion under subsection (e)(1) notifies the SFMTA that he or she elects to sell the Medallion, the SFMTA shall exchange the Ramp Taxi Medallion for a Taxi Medallion to be sold by the Medallion Holder. Such exchange shall not diminish the size of the Ramp Taxi fleet. No Ramp Taxi Medallion shall be sold pursuant to this subsection (e).

**(10) Driver Fund**

The SFMTA shall establish a Driver Fund. The SFMTA shall deposit all Driver Fund Transfer Fees into the Fund and may, in its sole and absolute discretion, elect to deposit other monies into the Fund. Monies in the Driver Fund may be expended by the SFMTA.

**(11) Taxi Medallion Sales Pilot Program Advisory Group**

Reserved.

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

By: \_\_\_\_\_  
Mariam Morley  
Deputy City Attorney